

GROUND LEASE

THIS GROUND LEASE, dated as of December 1, 1984, by and between THE PORT OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as Port, and COLUMBIA GRAIN, INC., an Oregon corporation, hereinafter referred to as COLUMBIA.

RECITALS:

1. Pursuant to Ordinance No. 311 enacted November 14, 1984, the Port authorized the issuance of its Public Grain Elevator Revenue Bonds, 1984 Series (Columbia Grain Inc. Project) in the aggregate principal amount of \$38,100,000. (the 1984 Series Bonds) and entered into a Lease Agreement dated December 1, 1984 with Columbia wherein Columbia will make rental payments and other sums sufficient to pay the principal, premium, if any, and interest on the 1984 Series Bonds.

2. In the Lease Agreement the Port demises and leases to Columbia and Columbia leases from the Port the Project, consisting of the Facility, Leased Land and Leased Equipment as such terms are defined therein.

3. The Ground Lease herein sets forth the agreements of the parties that underlie the Ordinance & Lease Agreement.

4. The terms defined in the Ordinance and the Lease Agreement shall have the same meaning in this Ground Lease unless the context clearly indicates otherwise.

ARTICLE I - PREMISES

Section 1.01 Description: (a) Port leases to Columbia, on the terms and conditions stated below, the Premises described in Exhibit A attached hereto. (b) Upon termination of the Lease Agreement, the Facility and Leased Equipment shall become a part of the Premises herein.

Section 1.02 - Use of Premises: Columbia may use the premises only as a public agricultural products (in natural and processed forms) facility to be employed in receiving and storing dry agricultural products from any person, firm or corporation and releasing the same to any person, firm or corporation within or without the United States of America and to the extent to which the entire Premises are not devoted to said Facility, the Premises may be used by Columbia for other purposes in conformance with the then existing development and performance standards of the Rivergate Industrial District;



subject, however, to the approval of the Port, provided however, that such use will not affect the character of the facility as a public grain elevator within the meaning of Section 103 (c) (4)(D) of the Internal Revenue Code of 1954 as amended.

ARTICLE II - TERM

Section 2.01 Term: The term of this Ground Lease shall commence as of December 1, 1984 and shall continue until December 1, 2014, unless sooner terminated under the provisions of this Ground Lease.

Section 2.02 Renewal Option: If Columbia is not then in default, Columbia shall have an option to renew this Ground Lease on the same terms and conditions for a period of five years and shall be exercised in writing given to the Port not less than three months nor more than six months before the last day of the expiring term.

Section 2.03 - Extension of Ground Lease Following Option Extension: Should Lessee extend this Ground Lease in accordance with Section 2.02, and in the event that either party should request a further extension of this Ground Lease, such party shall give written notice thereof to the other party. Such notice shall be given not less than two and one-half years nor more than three years before the last day of the option extension. Upon the giving of such notice the parties will undertake discussions and negotiations to extend this Ground Lease or enter into a new agreement. If an extension or a new agreement is not executed by the parties on or before the beginning of the fourth year of the option period, this Section 2.03 is terminated.

Section 2.04 - Columbia's Option to Purchase Facility and Leased Equipment; Port's Option to Retain Facility and Leased Equipment:

(a) Subject to subparagraph (b) of this Section, Columbia at the expiration of the renewal term referred to in Section 2.02 hereof, and only at such time, has the option to purchase the Facility and Leased Equipment for the sum of one dollar and remove it in total from the Leased Land; provided, however, that if Columbia does so purchase the Facility and the Leased Equipment it shall leave the Leased Land in substantially the condition in which it was originally leased from the Port. In order to exercise such option Columbia shall give the Port written notice not less than twelve months prior to the expiration of such renewal term. If Columbia exercises its option to purchase the Facility and Leased Equipment as provided in this Section Columbia shall, within

ninety days after the expiration of the renewal term referred to in Section 2.02 hereof, remove Facility and Leased Equipment and restore the Leased Land to substantially the condition in which it was originally leased from the Port.

(b) If Columbia elects to exercise the option provided for in subparagraph (a) of this Section, the Port has the option of keeping the Facility and Leased Equipment on the Leased Land upon payment to Columbia of \$250,000 at the expiration of such renewal term. In order to exercise such option the Port shall give Columbia written notice of its intent to exercise such option not less than six months prior to the expiration of such renewal term.

ARTICLE III - RENTALS AND CHARGES

Section 3.01 - Rental Charge:

(a) Columbia shall pay the Port a rental charge for the use of Port facilities related to the Premises and the utilization thereof by Columbia. Such rental charge shall be based upon the following: (1) All dockage up to \$500,000 per year shall be paid to the Port. (2) On all dockage in excess of \$500,000 per year 50% of such dockage shall be paid to the Port.

(b) Columbia agrees that it will charge the vessels not less than the Port of Portland's published tariffs for dockage at other grain docks in effect at the time of berthing.

(c) The rental charge hereunder will be due and payable monthly within 60 days of berthing.

Section 3.02 - Public and Common Area Maintenance Charge:

The Premises are subject to an annual charge for a proportionate share of the cost of maintaining public and common areas, including landscaping within road rights-of-ways in the Rivergate Industrial District in accordance with a plan of landscaping and maintenance prepared by the Port and acceptable by a majority of the tenants and owners at Rivergate Industrial District. Such charges shall reimburse Port for all reasonable costs incurred and shall be calculated by: 1) determining the percentage that each property represents of the total acreage sold by or leased from the Port within the Rivergate Industrial District; and 2) multiplying the total cost by this percentage, the product of which shall be the amount charged to the Premises. Such charges shall be paid by Columbia on the first day of August of each year or within 10 days after receipt of the Port's billing, whichever is later, based on the costs incurred by Port

in the prior fiscal year. The initial billing in August 1985 will cover the period December 1, 1984 to June 30, 1985. Columbia consents to installation of landscaping in public streets which abutt or may abutt the Premises and authorizes Port to make such arrangements as necessary to maintain the public and common areas.

Section 3.03 - Reports: Columbia shall report to the Port monthly a detailed summary regarding vessel calls, vessel characteristics and time at berth.

Section 3.04 - Audit: Columbia shall keep true and accurate accounts, records, books and data which shall show vessel calls, vessel characteristics, time at berth and dockage calculations under Section 3.01 above. The Port and its agents shall have the right at all reasonable times to inspect and audit such books and records and other data as may be required in the judgment of the Port or its auditors to confirm all items necessary for the computation of the rental charge herein.

ARTICLE IV - COLUMBIA OBLIGATIONS

Section 4.01 - Operation of Grain Elevator:

Columbia agrees that it will operate the facility as a public grain elevator in a non-discriminatory fashion and that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility, including any and all services, privileges, accommodations and activities provided thereby.

Section 4.02 - Nondiscrimination In Employment:

Columbia covenants and agrees that in all matters pertaining to the performance of this Ground Lease, Columbia shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, creed, color, sex or national origin and, in particular:

(a) Columbia will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex or national origin, and

(b) Columbia acknowledges existence of a collective bargaining agreement dated October 11, 1971 between the I.L.W.U. and The Port of Portland. Columbia agrees during the term of such agreement, together with any extensions, renewals or modifications thereof, to abide by the terms thereof to the extent to which the same applies to its operations under this Ground Lease.

Section 4.03 - Off-Site Improvements:

If by reason of increased usage during the term of this Ground Lease it becomes necessary to construct up to two railway overpasses in the Rivergate Industrial District in order to alleviate congestion, the Port will meet with Columbia and other users of rail in Rivergate to negotiate in good faith a fair allocation of the costs of such construction, based on their respective pro rata shares, if any, of such increased usage and their respective remaining periods of usage.

Section 4.04 - Maintenance of Project, Remodeling, Etc.:

(a) Columbia will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that Columbia will have no obligation to maintain, repair, replace or renew any element or unit of the Project (i) which is taken by condemnation or by the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority or (ii) the maintenance, repair, replacement or renewal of which becomes uneconomic to Columbia because of damage or destruction by a cause not within the control of Columbia, or obsolescence (including economic obsolescence), or change in government standards and regulations.

Columbia shall have the right to remodel the Project or make substitutions, modifications and improvements to the Project from time to time as it, in its discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, substitution, modifications and improvements shall be paid by Columbia.

(b) Columbia shall provide, operate and maintain, at no cost to the Port, an area for cleaning grain residue and trash from trucks which have discharged at the elevator. This area shall be located within the Premises. Columbia shall make its best efforts to encourage use of this area and to discourage truck cleaning outside the Premises, but in no event shall Columbia be required to penalize or refuse to deal with any driver who does not follow these directions.

Section 4.05 - Removal of Leased Equipment. The Port shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary Leased Equipment. In any instance where Columbia in its sound discretion determines that any items of Leased Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, Columbia may remove such items of Leased Equipment from the Facility or the Leased Land and (on behalf of the Port) sell, trade in, exchange or otherwise dispose of them (as a whole or in part) provided that Columbia shall substitute and install anywhere on the Leased Land other machinery, equipment, or related property having equal or greater utility (but not necessarily having the same function) in the operation of the Project, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Leased Equipment.

Section 4.06 - Utilities: Columbia shall promptly pay any charges for sewer, water, gas, electricity, telephone and all other charges for utilities which may be furnished to the Premises at Columbia's order or consent.

Section 4.07 - Liens: Columbia agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery or equipment which have been furnished or ordered with Columbia's consent to be furnished to or for Columbia in, upon or about the Premises, which may be secured by any mechanics', materialmen's or other lien against the Premises or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that Columbia may in good faith contest any mechanics' or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest. The Port shall cooperate fully with Columbia in any such contest.

Section 4.08 - Taxes: Columbia agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the state, county, city, or any other tax levying body upon the Premises or upon any taxable interest by Columbia acquired in this Ground Lease or any taxable possessory right which Columbia may have in or to the Premises, or the improvements thereon by reason of its occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Columbia in or about the Premises. Upon making such payments, Columbia shall give to the Port a copy of the receipts and

vouchers showing such payment. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by Columbia forthwith or as soon as a statement thereof has been issued by the tax collector; provided that with respect to special assessments and other governmental charges that may lawfully be paid in installments over a period of years, Columbia shall be obligated to pay only such installments as are required to be paid during the term of this lease and any renewals or extensions thereof.

Columbia may at its expense and in its own name and behalf or in the name and on behalf of the Port, but only after written notice to the Port, in good faith contest the amount of such taxes, assessments and other charges, and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. The Port will cooperate fully with Columbia in any such contest.

ARTICLE V --PORT OBLIGATIONS

Section 5.01 - Dredging: The Port will dredge and maintain at the cost of the Port the dock frontage to the then existing U.S. Army Corps of Engineers Project depth (at present 40 feet) at low water along the harbor line and to the dock and 15 feet at low water along the barge unloading facility. If the authorized depth is changed during the period of this Ground Lease or any extension thereof the Port will dredge to the new depth conditioned upon Columbia agreeing to hold the Port harmless from any injury or damage to the dock.

ARTICLE VI - INDEMNITY AND INSURANCE

Section 6.01 - Indemnity: Columbia agrees fully to indemnify, save harmless and defend the Port, its commissioners, officers and employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to third persons or their property, caused by the fault or negligence in whole or in part of Columbia, its subtenants or employees in the use or occupancy of the premises hereby leased; provided that the Port shall give to Columbia prompt and reasonable notice of any such claims or actions, and Columbia shall have the right to investigate, compromise and defend same, provided such claim is not the result of negligent act of the Port.

Notwithstanding the foregoing, Columbia shall not be required to indemnify the Port (i) for any settlement or agreement by the Port to pay in connection with any action or claim unless Columbia consented in writing to such settlement or agreement or (ii) for any attorneys fees incurred by the Port in defense of any action or claim in the event Columbia is defending the same with counsel reasonably acceptable to the Port.

Section 6.02 - Insurance:

(a) Columbia shall keep the Premises, and any and all improvements placed thereon continuously insured with an insurance underwriter (s) satisfactory to the Port and authorized to do business in Oregon. Said insurance policy(ies) shall be written on an all risk form including flood and earthquake in an amount equal to ninety percent of the new replacement value of the buildings and improvements. Policy(ies) will remain in force during the term of the Ground Lease and any extensions thereof and shall be endorsed to name the Port as additional insured with a loss payable clause. Provided, however, Columbia may self-insure against any of the foregoing risks to the extent and in the manner that it may legally do so and it is the general practice of businesses of like size and type to self-insure against such risks. In lieu of the separate insurance policies, such insurance may be in the form of a blanket insurance policy or policies of Columbia. Insurance policies may be written with deductible amounts and exceptions and exclusions comparable to those of business of like size and type.

(b) Columbia shall maintain comprehensive, general and automobile liability insurance for the protection of Columbia, its directors, officers, servants and employees, insuring Columbia against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises leased or occasioned by reason of the operations of Columbia with insurance of not less than One Million Dollars (\$1,000,000) combined single limit. Such insurance shall name the Port, its commissioners, officers, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by Columbia.

(c) Columbia shall maintain in force Workers' Compensation insurance including coverage for Employers' Liability and the Longshoremens' & Harbor Workers' Compensation Act.

(d) Columbia shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Ground Lease. All policies

of insurance will provide for not less than thirty (30) days written notice to the Port and Columbia before such policies may be revised, nonrenewed or cancelled.

Section 6.03 - Waiver of Subrogation: The Port and Columbia agree that each forfeits any right of action that it may later acquire against the other of the parties to the Ground Lease for loss or damage to its property, or to property in which it may have an interest, where such loss is caused by fire, or any of the all risk hazards, and arises out of or is connected with the leasing of the Premises under this Ground Lease.

Section 6.04 - Notice of Damage, Repair of Damage:

Immediately after the occurrence of any damage or loss to the Project in excess of \$250,000, Columbia shall notify the Port as to the nature and extent of such damage or loss and, as soon as practicable thereafter, notify the Port whether it is practicable and desirable to rebuild, repair or restore such damage or loss. If Columbia shall determine that such rebuilding, repairing or restoring is practicable and desirable, Columbia shall forthwith proceed with such rebuilding, repairing or restoring and shall notify the Port upon the completion thereof. In such case, any insurance proceeds received in respect of such damage or loss shall be made available to and used by Columbia for payment of the costs of such rebuilding, repairing or restoring.

ARTICLE VII - DEFAULT

Section 7.01 - Events of Default: The following shall be deemed a default under this Ground Lease:

(a) Default and Payment of Fees: Failure of Columbia to pay any fee or other charge within 10 days after it is due.

(b) Default in Other Covenants: Failure of Columbia to comply with any term or condition or fulfill any obligation of the Ground Lease within thirty (30) days after written notice by Port specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this provision shall be complied with if Columbia begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

(c) Insolvency: An assignment by Columbia for the benefit of creditors; the filing by Columbia of a voluntary petition in bankruptcy; an adjudication that Columbia is bankrupt or the appointment of a receiver of the properties of

Columbia; the filing of an involuntary petition of bankruptcy and failure of Columbia to secure a dismissal of the petition within sixty (60) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Columbia to secure discharge of the attachment or release of the levy of execution within ten (10) days.

Section 7.02 - Remedies on Default:

(a) The Port may terminate the Lease Term, exclude Columbia from possession of the Premises and use its best efforts to lease the Premises to another party for the account of Columbia, holding Columbia liable for all rent and other amounts due under this Agreement and not paid by such other party.

(b) The Port may take any action at law or in equity, including any rights under the Uniform Commercial Code of the State of Oregon, to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Columbia under this Agreement.

Section 7.03 - No Remedy Exclusive: No remedy conferred upon or reserved to the Port by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Port to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

ARTICLE VIII - TERMINATION

Upon termination of this Ground Lease or of any term or renewal term hereunder, Columbia shall surrender possession of the Premises peacefully and promptly.

ARTICLE IX - GENERAL PROVISIONS

Section 9.01 - Assignment of Interest or Rights: Neither Columbia nor any assignee or other successor of Columbia shall in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or

encumber any of Columbia's rights in and to this Ground Lease or any interest therein, nor license or permit the use of the rights herein granted in whole or in part without the prior written consent of the Port, which consent shall not be unreasonably withheld.

Columbia shall not assign all or any part of its rights and interest under this Ground Lease to any successor to its business through merger, consolidation, or voluntary sale or transfer of substantially all of its assets, without prior written consent of the Port, which consent shall not be unreasonably withheld.

This Ground Lease may, with the prior written consent of the Port and, if required, the Federal Maritime Commission, be assigned to a corporation organized under the laws of one of the United States which is a wholly-owned subsidiary (direct or indirect) of Marubeni Corporation, provided that such subsidiary shall assume all of the obligations of Columbia under this Ground Lease pursuant to an instrument delivered to the Port and reasonably satisfactory in form and substance to the Port and provided that no assignment shall relieve Columbia from primary liability for any of its obligations hereunder.

Section 9.02 - Condemnation: If the Premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Ground Lease shall terminate as to such portion as may be taken. If the portion taken does not feasibly permit the continuation of the operation of the facility by Columbia, Columbia shall have the right to cancel. Such cancellation shall be effective as of the date of taking. Port shall be entitled to that portion of the award as represented by the land.

Section 9.03 - Force Majeure: If by reason of force majeure Columbia is unable in whole or in part to carry out its obligations under this Ground Lease, Columbia shall not be deemed in default during the continuance of such inability, provided notice thereof is given to the Port. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of the United States of America or the State of Oregon or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; earthquakes; volcanoes; fires; storms; droughts; floods; explosions; breakage or accident to machinery; or any other cause or event not reasonably within the control of Columbia and not resulting from its negligence. Columbia agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Columbia from carrying out its agreement, provided that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the discretion of Columbia and Columbia

shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Columbia unfavorable to Columbia.

Section 9.04 - Nonwaiver: Waiver by either party of strict performance of any provision of this Ground Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

Section 9.05 - Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Ground Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or, in the event of appeal, as allowed by the appellate court.

Section 9.06 - Statutory Provisions: This Ground Lease is subject to the provisions of Oregon Revised Statutes 279.312 through 279.320, inclusive, which by this reference are incorporated herein as fully as though set forth verbatim.

Section 9.07 - Time of Essence: It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Ground Lease.

Section 9.08- Warranties/Guarantees: Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Columbia by reason of any such physical condition.

Section 9.09- Headings: The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Ground Lease.

Section 9.10 - Consent of Port: Whenever consent, approval or direction by the Port is required under the terms contained herein, all such consent, approval or direction shall be received in writing from the Executive Director of The Port of Portland, which consent shall not be unreasonably withheld.

Section 9.11 - Notices: All notices required under this Ground Lease shall be deemed to be properly served if sent registered mail to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the Port at The Port of Portland, Post Office Box 3529, Portland, Oregon 97208,

Attention: Executive Director, and to Columbia at 111 S.W.
Commerce St. Portland, Or 97201 Attn: Pres.. Date of Service of
such notice is date such notice is deposited in a post office
of the United States Post Office Department, postage prepaid.

Section 9.12 - Columbia Option to Terminate:

Provided that the 1984 Series Bonds have been paid in full
or provision made for the defeasance in full of the 1984 Series
Bonds pursuant to the terms of the Ordinance, Columbia may
terminate this Lease on no less than ninety (90) days written
notice to the Port specifying therein the date of termination,
which shall be no less than ninety (90) days and no more than
one hundred twenty (120) days from the date such notice is
given.

IN WITNESS WHEREOF, the parties hereto have caused this
Agreement to be duly executed as of the date and year first
above written.

THE PORT OF PORTLAND

By [Signature]
Authorized officer

[SEAL]

Attest:

[Signature: H. A. Underwood]
Secretary

APPROVED AS TO FORM
[Signature: R. J. [illegible]]
City Clerk for the Port of Portland

COLUMBIA GRAIN, INC.

By [Signature]

[SEAL]

Attest:

[Signature: B. J. [illegible]]
Secretary

ACKNOWLEDGEMENT OF PORT

STATE OF OREGON)
) ss
County of Multnomah)

On the 14th day of November, in the year one thousand nine hundred eighty-four, before me personally came John B. Hitting and Lee A. Underwood to me known, who, being by me duly sworn, did depose and say that they reside in Multnomah County and Multnomah County, respectively; that they are the President and the Asst. Secretary, respectively, of The Port of Portland, the municipal corporation described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of said corporation, and that they signed their names thereto by like order.

MPBrink-Schwab
Notary Public for Oregon
My Commission expires: 12/18/87

[SEAL]

ACKNOWLEDGEMENT OF COLUMBIA GRAIN, INC.

STATE OF OREGON)
) ss
County of Multnomah)

On the 10th day of December, 1984 before me personally came Junichi Takata and Shizuo Hirose, to me known, who, being by me duly sworn, did depose and say, that they reside in Multnomah County and Clackamas County, respectively; that they are the Chairman and the Secretary of Columbia Grain, Inc., a company described in and which executed the above instrument; that they know the seal of said company, that the seal affixed to said instrument is such company seal; that it was so affixed by authority of the Board of Directors of said company; and that they signed their names thereto by like authority.

MPBrink-Schwab
Notary Public
My Commission expires: 12/18/87

[SEAL]

PARCEL 1

A parcel of land located in the east half of Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most southerly point of the recreation area as shown on the plat of survey, Rivergate Industrial District Block 12 recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the southeasterly line of said plat and the southwesterly line of the recreation area, and being the TRUE POINT OF BEGINNING; thence North 51° 30' West, along the southwesterly line of the recreation area 1,147.75 feet to the mean low water line of the Willamette River, thence South 50° 17' 51" West, along said low water line 1,155.11 feet, thence South 43° 26' 48" West, 225.48 feet; thence leaving said low water line, South 39° 11' 36" East, 272.05 feet, thence South 5° 17' 51" West, 70.71 feet; thence South 39° 42' 09" East, 635.30 feet; thence South 03° 22' 07" East, 580.81 feet to the right-of-way line of the Union Pacific Railroad; thence following said right-of-way South 73° 58' 12" East, 34.47 feet; thence North 22° 23' 23" East, 479.83 feet; thence along the arc of a 700.00-foot radius curve to the right through a central angle of 25° 36' 37" a distance of 312.89 feet to a point which bears North 35° 11' 42" East, 310.29 feet from the last described point; thence leaving said right-of-way North 42° 00' 00" West, 1.00 foot; thence North 48° 00' 00" East along the southeasterly line of Block 12, 1,268.40 feet to the TRUE POINT OF BEGINNING, containing 42.574 acres.

PARCEL 2

A parcel of land located in the east half of Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most southerly point of Tract "G" as shown on the plat of survey, Rivergate Industrial District Block 12, recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the southeasterly line of said plat and the southwesterly line of Tract "G" and being the TRUE POINT OF BEGINNING; thence North 42° 00' 00" West, 302.95 feet; thence North 51° 30' 00" West, 585.00 feet; thence South 77° 40' 21" West, 64.50 feet; thence South 51° 30' 00" East, 924.54 feet to the TRUE POINT OF BEGINNING, containing 0.866 acre.

PARCELS A, B & C

ACCESS ROAD EASEMENT

Columbia shall have a non-exclusive access road easement over the following described premises; such access road is not for the exclusive use of Columbia but may be used by the Port and other users at Rivergate Industrial District:

PARCEL A

A parcel of land located in Block 10 "Rivergate Industrial District, Blocks 9, 10, and 11," a plat located in Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most easterly corner of Block 11 Rivergate Industrial District Blocks 9, 10, and 11 recorded April 27, 1973, Multnomah County Deed Records. Said corner being on the northwesterly right-of-way line of North Lombard Street; thence South 48° 00' 00" West, along said right-of-way 1,543.25 feet to the TRUE POINT OF BEGINNING; thence continuing along said right-of-way South 48° 00' 00" West, 120.00 feet; thence northeasterly leaving said right-of-way along the arc of a 30.00-foot radius curve to the left 47.12 feet through a central angle of 90° 00' 00" to a point which bears North 03° 00' 00" East, 42.43 feet from the last described point; thence North 42° 00' 00" West, 622.33 feet to the southeasterly right-of-way line of the Union Pacific Railroad; thence along said right-of-way North 22° 23' 23" East, 66.54 feet; thence leaving said right-of-way South 42° 00' 00" East, 651.09 feet; thence along arc of a 30.00-foot radius curve to the left 47.12 feet through a central angle of 90° 00' 00" to a point which bears South 87° 00' 00" East, 42.43 feet from the last described point and the TRUE POINT OF BEGINNING, containing 0.927 acre.

PARCEL 6

A parcel of land located in Block 10 "Rivergate Industrial District, Blocks 9, 10, and 11," a plat located in Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most easterly corner of Block 11 Rivergate Industrial District Blocks 9, 10, and 11 recorded April 27, 1973, Multnomah County Deed Records. Said corner being on the northwesterly right-of-way line of North Lombard Street; thence South $48^{\circ} 00' 00''$ West, along said right-of-way 1,603.25 feet; thence leaving said right-of-way North $42^{\circ} 00' 00''$ West, 666.71 feet to a point on the southeasterly right-of-way line of the Union Pacific Railroad and the TRUE POINT OF BEGINNING; thence South $22^{\circ} 23' 23''$ West, along said right-of-way 27.72 feet; thence leaving said right-of-way North $42^{\circ} 00' 00''$ West, 86.20 feet to the northwesterly right-of-way line of said Union Pacific Railroad; thence North $16^{\circ} 01' 48''$ East, along said right-of-way 58.94 feet; thence leaving said right-of-way South $42^{\circ} 00' 00''$ East, 93.44 feet to the said southeasterly right-of-way line; thence along said right-of-way line South $22^{\circ} 23' 23''$ West, 27.73 feet to the TRUE POINT OF BEGINNING, containing 0.103 acre.

PARCEL C

A parcel of land located in the east half of Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most southerly point of the recreation area as shown on the plat of survey, Rivergate Industrial District Block 12 recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the southeasterly line of said plat and the southwesterly line of the recreation area; thence South 48° 00' 00" West, 1,823.84 feet to the TRUE POINT OF BEGINNING; thence South 03° 22' 07" East, 317.39 feet to an angle point on the northwesterly right-of-way line of Union Pacific Railroad; thence South 16° 01' 48" West, along said right-of-way 58.94 feet; thence leaving said right-of-way North 42° 00' 00" West, 56.02 feet; thence North 16° 52' 49" West, 168.76 feet; thence along the arc of a 819.49-foot radius curve to the left 84.53 feet through a central angle of 05° 54' 36" to a point which bears North 19° 50' 06" West, 84.49 feet from the last described point; thence North 67° 12' 35" East, 24.08 feet; thence North 48° 00' 00" East, 121.89 feet to the TRUE POINT OF BEGINNING, containing 0.603 acre. Subject to an easement to Portland General Electric Company as described and filed in Book 980, Page 1476, dated October 29, 1973.

25144

THE PORT OF PORTLAND

AND

COLUMBIA GRAIN, INC.

LEASE AGREEMENT

DATED AS OF DECEMBER 1, 1984

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THIS LEASE AGREEMENT, dated as of December 1, 1984, between THE PORT OF PORTLAND, a municipal corporation of the State of Oregon and Columbia Grain, Inc., a corporation organized and existing under the laws of the State of Oregon,

W I T N E S S E T H :

In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

Definitions and Related Transactions

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings in this Article I specified, unless the context clearly otherwise requires and any terms defined in Ordinance No. 311 but not in this Agreement shall have the meanings specified in the Ordinance:

Act:

"Act" shall mean Chapter 777 and Chapter 778 of the Oregon Revised Statutes, both as amended, and all future acts supplemental thereto or amendatory thereof.

Additional Bonds:

"Additional Bonds" shall mean Bonds of any Series, other than the 1984 Series Bonds, duly authenticated and delivered pursuant to Sections 3.03 and 3.04 of the Ordinance.

Administration Expenses:

"Administration Expenses" shall mean (i) an annual administrative management fee to be paid by the Company to the Port on the date of the issuance and delivery of the 1984 Series Bonds and on each December 1 thereafter so long as any 1984 Series Bonds are outstanding in an amount equal to 1/10 of 1% of the aggregate principal amount of such Bonds outstanding on the date of payment less \$17,500,000; but not less than \$5,000, and (ii) the compensation and expenses paid to or incurred by the Trustee, the Paying Agent, the Bond Registrar and the Tender Agent under the Ordinance.

Agreement:

"Agreement" shall mean this Lease Agreement dated as of December 1, 1984, between the Port and the Company as the same may be amended from time to time in accordance with the provisions of this Agreement and the Ordinance.

Alternate Letter of Credit:

"Alternate Letter of Credit" shall mean any credit facility held by the Trustee in accordance with Section 4.04(b) of this Lease Agreement.

Authorized Company Representative:

"Authorized Company Representative" shall mean any person or persons at the time designated to act on behalf of the Company by a written certificate, signed on behalf of the Company by its President or one of its Vice Presidents or its Treasurer and its Secretary or one of its Assistant Secretaries and furnished to the Port and the Trustee, containing the specimen signature of each such person.

Bank:

"Bank" or "Banks" shall mean, individually, The Fuji Bank Limited, New York Agency or The Bank of Tokyo, Ltd., New York Agency the issuers of the Letter of Credit, in their capacity as issuers of the Letter of Credit, their successors in such capacity and their assigns.

Bonds:

"Bond" or "Bonds" shall mean any bond or all of the bonds, as the case may be, of the Port authorized and issued by the Port, authenticated by the Trustee and delivered under the Ordinance including 1984 Series Bonds and Additional Bonds.

The term "outstanding under the Ordinance" or "outstanding hereunder" or "outstanding", when used with reference to Bonds, shall mean, except as otherwise provided in Sections 9.03, 10.01 and 13.03 of the Ordinance, at any date as of which the amount of outstanding Bonds is to be determined, the aggregate of all Bonds authorized, issued, authenticated and delivered under the Ordinance, except:

(a) Bonds cancelled or surrendered to the Trustee for cancellation pursuant to Section 2.11 of the Ordinance on or prior to such date;

(b) Bonds for the payment or redemption of which cash or Governmental Obligations, as provided in Section 14.02,

or 2.02(d) of the Ordinance, shall have been theretofore deposited with the Trustee (whether upon or prior to maturity or redemption date of any such Bonds); provided that, if such Bonds are to be redeemed prior to maturity thereof, notice of such redemption shall have been given as in Article VIII of the Ordinance provided or provision satisfactory to the Trustee shall have been made therefor; and

(c) Bonds in lieu of which others have been authenticated under Section 2.04 of the Ordinance.

The term "issued", when used with respect to Bonds, shall mean Bonds sold or otherwise disposed of for value by the Port, except by way of pledge to secure a loan, unless the pledge shall have been foreclosed.

In determining whether the owners of a requisite aggregate principal amount of Bonds outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Ordinance and this Agreement, Bonds which are owned by the Company or the Port shall be disregarded and deemed not to be outstanding for the purpose of any such determination.

Bond Fund:

"Bond Fund" shall mean the fund created under Article VI of the Ordinance.

Code:

"Code" shall mean the Internal Revenue Code of 1954, as amended.

Company:

"Company" shall mean Columbia Grain, Inc., an Oregon corporation, or any corporation which is the surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under Section 5.02 hereof and shall also mean, unless the context otherwise requires, an assignee of this Agreement as permitted by Section 6.01 of this Agreement.

Completion Date:

"Completion Date" shall mean the date of completion of the acquisition, construction or equipping of the Project, as that date shall be certified pursuant to Section 3.04 hereof and Section 5.05 of the Ordinance.

Construction Fund:

"Construction Fund" shall mean the fund created under Article V of the Ordinance.

Cost:

"Cost", shall mean, when used in connection with the Project, any enlargements, improvements or extensions of such Project, or any additional public grain elevator facilities on the Leased Land, and shall be deemed (subject to any limitation thereof contained in this Agreement), whether incurred prior to or after the date of the Ordinance, to include

(a) obligations of the Port or the Company or any affiliate of the Company incurred for labor, materials and other expenses and to contractors, builders and materialmen in connection with the design, acquisition, construction and installation of the facilities being acquired, constructed or installed;

(b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition, construction or installation of the facilities being acquired, constructed or installed which is not paid by the contractor or contractors or otherwise provided for;

(c) the expenses of the Port and the Company and any affiliate of the Company for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, and for supervising acquisition, construction or installation, as well as for the performance of all other duties required by or consequent upon the proper acquisition, construction or installation of the facilities being acquired, constructed or installed;

(d) compensation and expenses of the Trustee, legal, accounting, financial, advertising, recording and printing expenses, fees and all other expenses incurred in connection with the issuance of the Bonds, including any payments to be made by the Company pursuant to clause (i) of the definition of Administration Expenses, which are not otherwise provided for under the terms of the Ordinance or this Agreement;

(e) all other costs which the Port or the Company or any affiliate of the Company shall be required to pay under the terms of any contract or contracts for the acquisition (by purchase, lease, or otherwise), construction or

installation of the facilities being acquired, constructed or installed;

(f) any sums required to reimburse the Port or the Company or any affiliate of the Company for advances made by any of them for any of the above items, or for any other costs incurred and for the work done by any of them, which are properly chargeable to the facilities being acquired, constructed or installed;

(g) in the case of a Series of Additional Bonds, any amount designated by the Company for deposit in the Bond Fund for payment of interest on such Series of Additional Bonds to a date or dates as shall be specified in the Supplemental Ordinance providing for the issuance of such Series of Additional Bonds;

(h) payment of any other costs and expenses relating to the construction, acquisition and equipping of the Project and financing thereof, including, without limitation, amounts payable under Section 4.12 of this Agreement and expenses described in clause (i) under the definition of Administration Expenses and expenses incurred pursuant to Section 3.06 hereof;

(i) the cost of refinancing all or any part of the Project; and

(j) the cost of the exercise by the Company of its option pursuant to the Option Agreement, as such term is defined in Section 1.01 hereof.

Event of Default:

"Event of Default" or "Default" shall mean any Event of Default specified in Section 7.01 hereof.

Exempt Costs:

"Exempt Costs" shall mean the net cost of the Project. For purposes of this definition, "net cost" means that portion of the Cost of the Project (computed without regard to Administration Expenses, legal, accounting, financial, advertising, recording and printing expenses and fees and all other expenses incurred in connection with the issuance of the Bonds) which is chargeable to the capital account of such facilities for Federal income tax purposes or would be so chargeable either with a proper election or but for a proper election to deduct such amounts, including interest on the Bonds eligible for capitalization under Section 266 of the Code and which is needed to provide an "exempt facility" within the meaning of Treasury Regulation §1.103-8.

Facility:

"Facility" shall mean the grain elevator, structures, fixtures, docks, wharves and facilities on the Leased Land, other than the Leased Equipment, and all other improvements on the Leased Land, as they may at any time exist, all of which constitute a public grain elevator within the meaning of Section 103(b)(4)(D) of the Internal Revenue Code of 1954, as amended.

Financing Statement:

"Financing Statement" shall mean a financing statement or a continuation statement filed pursuant to the provisions of the Uniform Commercial Code of the State of Oregon or such other jurisdiction the laws of which are applicable.

Ground Lease:

"Gound Lease" shall mean the Ground Lease, dated as of December 1, 1984 by and between the Port and the Company as the same may be amended or supplemented pursuant to the terms thereof.

Guarantor:

"Guarantor" shall mean (i) Marubeni Corporation and its successors and assigns and (ii) any surviving, resulting or transferee corporation as provided in Section 4.2 of the Guaranty.

Guaranty:

"Guaranty" shall mean the Guaranty Agreement, dated as of December 1, 1984, between the Guarantor and the Port, as the same may be amended or supplemented pursuant to the terms thereof.

Interest Payment Date:

"Interest Payment Date" shall mean any date on which the interest on any Bonds of any Series is due and payable.

Lease Term:

"Lease Term" shall mean the duration of the leasehold estate created in this Agreement as specified in Section 4.01 hereof.

Leased Equipment:

"Leased Equipment" shall mean those items of machinery, equipment and related personal property, more particularly described in Exhibit B attached hereto with all substitutions therefor.

Leased Land:

"Leased Land" shall mean the real estate and interests therein described in Exhibit C attached hereto which by this reference is incorporated herein and any site improvements thereon, together with all additions thereto and substitutions therefor and together with all rights-of-way, acquisitions, easements, tenements, hereditaments and appurtenances, rights, privileges and immunities thereunto belonging or pertaining.

Letter of Credit:

"Letter of Credit" shall mean an irrevocable letter of credit issued in accordance with Section 4.04(a) hereof and delivered to the Trustee by the Company in accordance with Sections 4.02 and 4.04(b) hereof, and, upon the issuance and delivery of an Alternate Letter of Credit in accordance with Section 4.04(b) hereof, "Letter of Credit" shall mean such Alternate Letter of Credit.

Marubeni:

"Marubeni" shall mean Marubeni Corporation, a corporation duly organized and existing under the laws of Japan.

Moody's:

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Port, with the approval of the Company, by notice to the Trustee and the Company.

Net Proceeds:

"Net Proceeds" shall mean the amount of Bond proceeds deposited into the Bond Fund and the Construction Fund less the amount paid out or to be paid out from such proceeds for Administration Expenses, legal, accounting, financial, advertising, recording and printing expenses and fees and all other expenses incurred in connection with the issuance of the Bonds. Net Proceeds shall include any investment income on moneys in the Construction Fund or the Bond Fund.

Opinion of Counsel:

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or of counsel to the Company, or bond counsel, or may be other counsel satisfactory to the Trustee.

Ordinance:

"Ordinance" shall mean Ordinance No. 311 of the Port enacted November 14, 1984, pursuant to which the Bonds are to be issued and secured, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

Owner:

"Owner" or "owner of the Bonds" or "Bondholder" shall mean the registered owner of any Bond.

Paying Agent:

"Paying Agent" shall mean any paying agent for the Bonds (and may include the Trustee or the Tender Agent) and its successor or successors appointed pursuant to the provisions of the Ordinance.

Permitted Encumbrances:

"Permitted Encumbrances" shall mean and include:

(a) undetermined liens and charges incident to acquisition, construction, installation or maintenance, and liens and charges incident to acquisition, construction, installation or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to judgment provided that the Company shall have adequate reserves with respect thereto;

(b) the lien of taxes, assessments and other governmental charges and levies which are not delinquent;

(c) the lien of taxes, assessments and other governmental charges and levies which are delinquent but the validity of which is being contested in good faith and with respect to which the Company shall have adequate reserves unless thereby any of the Project or the interest of the Port therein may be in danger of being lost or forfeited;

(d) minor defects and irregularities in the title to the Project which do not in the aggregate materially impair the use of the Project for the purposes for which it is or may reasonably be expected to be held;

(e) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, communications and alternative energy sources, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint

or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(f) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Project which do not materially impair the use of the Project for the purposes for which it is or may reasonably be expected to be held;

(g) any obligations or duties affecting any portion of the Project to any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(h) present or future zoning laws and ordinances;

(i) the rights of the Port under this Agreement;

(j) the lien and charge of the Ordinance;

(k) present or future valid zoning laws and ordinances;

(l) the rights of the Company under this Agreement and of the owners of the Bonds under the Ordinance; and

(m) the rights of the Company under the Ground Lease.

Plans and Specifications:

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, certified by an Authorized Company Representative and filed with and approved by the Port prior to commencement of construction of the Project, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the Completion Date in accordance with the Ordinance and with the approval of the Port.

Port:

"Port" shall mean The Port of Portland, a municipal corporation of the State of Oregon, and any successor to its duties and functions.

Principal Payment Date:

"Principal Payment Date" shall mean any date on which the principal of any Bonds shall become due whether at maturity, by redemption, including redemption to meet any Sinking Fund Requirements for Additional Bonds, acceleration or otherwise. With respect to the 1984 Series Bonds, the Principal Payment Date will be December 1, 2014.

Project:

"Project" shall mean (a) the Facility and the Leased Equipment and (b) any additions, extensions or improvements thereto financed by Additional Bonds.

Reimbursement Agreement:

"Reimbursement Agreement" shall mean the Letter of Credit and Reimbursement Agreement dated as of December 1, 1984, by and among the Company and the Banks pursuant to which the Letter of Credit is issued by the Banks and delivered to the Trustee, and any and all modifications, alterations, amendments and supplements thereto or any agreement pursuant to which any Alternate Letter of Credit is issued and delivered.

Remarketing Agent;

"Remarketing Agent" shall mean the remarketing agent appointed in accordance with Section 11.27 of the Ordinance, its successors and assigns.

Rental Payment Date:

"Rental Payment Date" shall mean any date designated as such under Section 4.02 hereof.

Rental Payments:

"Rental Payments" shall mean all of the revenues, rents and receipts derived directly or indirectly from the leasing or sale of the Project or any part thereof, including all moneys received hereunder (excepting only amounts paid pursuant to Sections 4.05(b), 5.07 or 7.04 hereof).

S&P:

"S&P" shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the

Port, with the approval of the Company, by notice to the Trustee and the Company.

Series or Series of Bonds or Series of Additional Bonds:

"Series" or "Series of Bonds" or "Series of Additional Bonds" shall mean all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the provisions of the Ordinance, regardless of variations in maturity, interest rate, Sinking Fund Requirements, or other provisions.

1984 Series Bonds:

"1984 Series Bonds" shall mean the Series of Bonds in an aggregate principal amount of \$38,100,000 authorized to be issued pursuant to Section 2.02 of the Ordinance.

Sinking Fund Requirement:

"Sinking Fund Requirement" shall mean with respect to any Series of Additional Bonds, any amount so designated pursuant to the Supplemental Ordinance providing for issuance of such Series of Additional Bonds.

Trustee:

"Trustee" shall mean First Interstate Bank of Oregon, N.A., Portland, Oregon (and its corporate successors) and any successor or successors as trustee hereunder.

SECTION 1.01. Related Transactions. Pursuant to Ordinance No. 176 (the "1975 Ordinance") enacted April 17, 1975 the Port issued its Public Grain Elevator Revenue Bonds (Cook Industries, Inc. Project), 1973 Series in the aggregate principal amount of \$17,500,000 (the "1975 Bonds") to provide funds to finance the construction, on land within the boundaries of the Port designated the Rivergate Industrial District, of a grain elevator, a dock and necessary related facilities (the "1975 Project") for lease to Cook Industries, Inc. ("Cook") by the Port pursuant to a Lease and Agreement, dated July 20, 1973 (the "Lease and Agreement") between the Port and Cook. The 1975 Bonds are secured by a pledge of the Port of payments of rent by Cook and certain other revenues derived by the Port under the Lease and Agreement sufficient to pay the principal, premium, if any, and interest on the 1975 Bonds.

Pursuant to a Guarantee Agreement (the "Guarantee Agreement"), dated as of April 1, 1975, Cook has guaranteed payment of the principal, premium, if any, and interest on the 1975 Bonds.

By a certain Agreement for Assignment of Lease (the "Agreement for Assignment of Lease") dated December 10, 1975, Cook assigned all its right, title and interest in, to and under the Lease and Agreement to its subsidiary, Columbia River Terminal Company, a Delaware corporation ("Columbia River") and Columbia River assumed all of Cook's rights, duties and liabilities under the Lease and Agreement.

Pursuant to a lease agreement dated July 13, 1977 (the "Parking Lot Lease"), Columbia River leased certain premises adjacent to the 1975 Project from the Port for use as a parking lot (the "Parking Lot").

On June 19, 1978, a Sublease and Asset Purchase Agreement (the "Sublease and Asset Purchase Agreement") was entered into between Cook, Columbia River and Marubeni America Corporation, a New York corporation ("Marubeni America"), which Sublease and Asset Purchase Agreement provided, inter alia, that Columbia River would sublease the 1975 Project and the Parking Lot to Marubeni America or a subsidiary of Marubeni America.

Columbia River entered into the Sublease and Agreement (the "Sublease and Agreement") dated as of July 18, 1978 and the Parking Lot Sublease (the "Parking Lot Sublease") dated July 18, 1978 with the Company, the duly formed subsidiary of Marubeni America, wherein and whereby the Company subleased the 1975 Project and the Parking Lot from Columbia River and agreed to operate the 1975 Project and the Parking Lot and make certain rental payments and perform certain obligations under the Lease and Agreement and the Parking Lot Lease.

An Amendatory Lease and Agreement No. 1 (the "Amendatory Lease and Agreement No. 1"), dated as of July 18, 1978 relating to the 1975 Project and amending the Lease and Agreement was entered into between the Port and Columbia River which provided, inter alia, that Cook and Columbia River would remain liable for the performance of the Lease and Agreement obligations (including those which the Company is obligated to perform under the Sublease and Agreement), but would be credited for the Company's performance of the Sublease and Agreement obligations.

An Amendatory Parking Lot Sublease dated July 18, 1978 between the Port of Portland and Columbia River Terminal, Inc. was entered into by Columbia River and the Company for the purpose of amending the Parking Lot Sublease.

Marubeni Corporation, a Japanese corporation, for good and valuable consideration, entered into a Guarantee (the "Guarantee") dated July 18, 1978 by which Marubeni Corporation guaranteed to Cook and Columbia River the full and complete performance (including payment of, inter alia, rentals and all liabilities, costs and expenses) by the Company of its obligations under the Sublease and Agreement and the Parking Lot Sublease.

Cook, Columbia River, Marubeni America and the Company entered into an Option Agreement (the "Option Agreement") dated July 18, 1978 pursuant to which, inter alia, Cook and Columbia River granted Marubeni America and the Company an option to purchase Cook's and Columbia River's rights under the Lease and Agreement and the Parking Lot Lease at the price and on the terms specified therein.

On May 13, 1981 the Port took official action to issue bonds for the financing of (i) certain improvements to the 1975 Project (the "1981 Project") and (ii) the cost of the exercising by the Company of its option pursuant to the Option Agreement.

Pursuant to Ordinance No. 277 (the "1981 Ordinance") enacted August 12, 1981 the Port issued its Public Grain Elevator Revenue Bonds, 1981 Series (Columbia Grain, Inc. Project) in the aggregate principal amount of \$15,400,000 (the "1981 Bonds") to finance the 1981 Project which 1981 Project was sold to the Company pursuant to a Sale Agreement, dated as of September 15, 1981 (the "Sale Agreement") between the Port and the Company. The 1981 Bonds are secured by a pledge to the Port of purchase payments by the Company and certain other revenues derived by the Port under the Sale Agreement sufficient to pay the principal, premium, if any, and interest on the 1981 Bonds.

Pursuant to a Guaranty Agreement, dated as of September 15, 1981, Marubeni Corporation guaranteed payment of the principal, premium, if any, and interest on the 1981 Bonds.

Pursuant to the Ordinance No. 311 (the "1984 Ordinance") enacted November 14, 1984, the Port authorized the issuance of its Public Grain Elevator Revenue Bonds, 1984 Series (Columbia Grain, Inc. Project) in the aggregate principal amount of \$38,100,000 (the "1984 Series Bonds") to refund the 1981 Bonds and to provide the Company with moneys to exercise the option granted to Marubeni America and the Company under the Option Agreement, thereby effecting the refunding of the 1975 Bonds and the acquisition of the 1975 Project. The 1984 Series Bonds are to be secured by a pledge of (i) rental payments by the Company and certain other revenues derived by the Port under the Lease Agreement and (ii) monies derived from the Letter of Credit (during the term of the Letter of Credit), which together will be sufficient to pay the principal of, premium, if any, and interest on the 1984 Series Bonds.

Pursuant to the Guaranty Agreement, dated as of December 1, 1984 between Marubeni Corporation and the Port, Marubeni Corporation will guarantee payment of rental payments pursuant to this Lease Agreement which will be used for the payment of the 1984 Series Bonds.

Pursuant to the Ground Lease dated December 1, 1984, between the Port and the Company, the Company has leased certain real estate from the Port on which the Project is located.

In order to provide security for the 1984 Series Bonds as described above and to lease the 1975 Project, the 1981 Project and the Parking Lot pursuant to the Agreement, the following actions will take place simultaneously with the issuance of the 1984 Series Bonds:

A portion of the proceeds of the 1984 Series Bonds will be used by Marubeni America and the Company to purchase Cook's and Columbia River's rights under the Lease and Agreement by exercising the option granted under the Option Agreement. A portion of such proceeds will then be used to prepay the 1975 Bonds. After the prepayment of the 1975 Bonds, the Port, Marubeni America and the Company will terminate the Lease and Agreement and the Parking Lot Lease by mutual consent. Termination of the Lease and Agreement and the Parking Lot Lease will result in the termination of the Sublease and Agreement and the Parking Lot Sublease, as amended. Title to the 1975 Project will remain in the Port.

A portion of the proceeds of the 1984 Series Bonds will be used by the Company to prepay the purchase payments under the Sale Agreement. Pursuant to the Sale Agreement, such prepayments will be used to prepay the 1981 Bonds, and the Port and the Company will terminate the Sale Agreement by mutual consent. The Company will exercise its option not to take title to the 1981 Project, to the extent the Company may have any such right under the Sale Agreement, and title will remain in the Port.

ARTICLE II

Representations and Findings

SECTION 2.01. Port organization; corporate power and authority; taxes. The Port makes the following representations as the basis for the undertakings on the part of the Company herein contained:

(a) The Port is a municipal corporation duly created and existing under and pursuant to the laws of the State of Oregon, including the Act;

(b) The Port has a good and valid fee interest in and to the Leased Land and has title to the Facility and the Leased Equipment, all subject to Permitted Encumbrances, and the Port proposes to lease the Project to the Company;

(c) The Port has full power and authority under the Act to enter into the transactions contemplated by this Agreement and the Ordinance and to carry out its obligations hereunder and thereunder;

(d) Approval of this Agreement, if required, has been secured from the Federal Maritime Commission before this Agreement becomes effective;

(e) The Port is not in default under any provision of the laws of the State of Oregon; and

(f) The 1984 Series Bonds, together with the interest thereon, have been duly authorized, executed and delivered and constitute legal, valid and binding limited obligations of the Port enforceable against the Port in accordance with their terms, and are entitled to the benefit of the Ordinance payable solely from the payments made pursuant to this Agreement, the proceeds of the sale of the Bonds, the proceeds of a draw on the Letter of Credit and the income earned by the investment of funds under the Ordinance; this Agreement and the Ordinance constitute legal, valid and binding obligations of the Port, enforceable against the Port in accordance with their respective terms; and this Agreement shall not constitute an indebtedness, a general obligation or a charge against the general credit or taxing power of the Port within the meaning of any constitutional or charter provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Port.

SECTION 2.02. Corporate organization; operation of Project.
The Company makes the following representations as the basis for the undertakings on the part of the Port herein contained:

(a) The Company is a corporation duly incorporated and in good standing under the laws of the State of Oregon, is duly qualified and authorized to engage in business in the State of Oregon, has power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery hereof;

(b) The Company is not in violation of any provision of its certificate of incorporation, its by-laws or any laws in any manner material to its ability to perform its obligations under this Agreement;

(c) The Facility is of the type authorized and permitted by the Act, is an exempt facility within the meaning of Section 103(b)(4) of the Code and the regulations promulgated thereunder; and is located on the Leased Land; and

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflicts with or results in a breach of the terms, conditions or

provisions of any corporate restriction or any agreement or instrument to which the Company is now a party or by which it is bound, or constitutes a default or would constitute with the passage of time or the giving of notice or both a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement. No event has occurred and no condition exists which, upon the execution and delivery of this Agreement, constitutes an Event of Default under this Agreement or would constitute an Event of Default but for the requirement that notice be given or time elapsed or both.

ARTICLE III

Completion of Project; Issuance of the Bonds

SECTION 3.01. Company to construct Project. The Company will acquire, construct and equip the Project, or cause the Project to be acquired, constructed or equipped as herein provided substantially in accordance with the Plans and Specifications and will use its best efforts to cause the acquisition, construction or equipping thereof to be completed as soon as may be practicable, delays incident to the events specified in the first sentence of the last paragraph of Section 7.01 hereof or any other delay beyond the reasonable control of the Company only excepted; but if for any reason such acquisition, construction or equipping shall not be completed by said date there shall be no resulting diminution in or postponement of the payments required in Section 4.02 hereof to be paid by the Company. Except as otherwise provided by this Agreement, the Project shall belong to and be the property of the Port at all times, including upon termination of this Agreement.

In order to effectuate the purposes of this Agreement, the Company will make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered, all contracts, orders, receipts, writings and instructions, in the name of the Company or otherwise, as agent of the Port, with or to other persons, firms or corporations, and in general do or cause to be done all such other things as may be requisite or proper for the acquisition, construction or equipping of the Project and fulfilling the obligations of the Company under this Agreement.

SECTION 3.02. Sale of 1984 Series Bonds by Port; Additional Bonds. In order to provide funds for payment of the Cost of the Project, the Port, as soon as practicable after the execution of this Agreement, will sell, issue and deliver to the initial purchasers thereof the 1984 Series Bonds and pay the proceeds thereof to the Trustee who shall deposit the accrued interest, if any, on the 1984 Series Bonds in the Bond Fund and the remainder of the proceeds thereof in the Construction Fund.

Upon written request from the Company to the Port to issue Additional Bonds to complete payment of the Cost of the Project, the Port shall use its best efforts to issue such Bonds in one or more Series for such purpose in accordance with the provisions of the Ordinance; provided, however, that the failure of the Port to issue Additional Bonds shall not release the Company from any of the provisions of this Agreement, regardless of the reason for such failure.

SECTION 3.03. Payments from Construction Fund. The Port has, in the Ordinance, authorized and directed the Trustee to make payments from the Construction Fund to pay a portion of the Cost of the Project, upon receipt by the Trustee of requisitions (upon which both the Port and the Trustee shall rely and shall be protected in

relying) signed by an Authorized Company Representative, stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due, (3) the amount to be paid, (4) that each obligation, item of cost or expense mentioned therein has been properly incurred, is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal. The Company covenants and agrees that it will not submit any requisition or requisitions which, if paid, would result in less than ninety-one percent (91%) of the Net Proceeds theretofore and thereupon expended being applied to pay Exempt Costs of the Project.

SECTION 3.04. Certification of completion of Project.

The Completion Date shall be evidenced to the Trustee by a certificate of an Authorized Company Representative stating that the acquisition, construction or equipping of the Project has been completed substantially in accordance with the Plans and Specifications therefor and that payment of the Cost of the Project or provision therefor has been made except for any Cost of the Project not then due and payable or the liability for payment of which is being contested or disputed by the Company. Notwithstanding the foregoing, each such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Company to cause the certificate contemplated by this Section 3.04 to be furnished as soon as the Project shall have been completed.

SECTION 3.05. Completion of Project if Construction Fund moneys inadequate; surplus in Construction Fund. To the extent that the moneys in the Construction Fund available for payment of the Cost of the Project (including moneys from the proceeds of any Additional Bonds, if any, sold pursuant to the terms and provisions of the Ordinance to finance completion of the Project) are not sufficient to pay the Cost of the Project in full, the Company will complete or cause to be completed the Project and pay or cause to be paid all of that portion of the Cost of the Project in excess of the moneys available therefor in the Construction Fund. The Port does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund will be sufficient to pay the Cost of the Project. In respect of the payment by the Company of any portion of the Cost of the Project pursuant to the provisions of this Section 3.05, it shall not be entitled to any reimbursement therefor (except to the extent of reimbursement from the proceeds of any Additional Bonds, if any, sold to finance completion of the Project) from the Port, the Trustee or the owners of any of the Bonds, nor shall it be entitled to any diminution in or postponement of the payments required in Section 4.02 hereof to be paid by the Company.

If, upon completion of the Project there are any surplus funds remaining in the Construction Fund which are not required to

provide for the payment of the Cost of the Project, such funds shall be paid into the Bond Fund and disposed of as provided in Section 6.08 of the Ordinance.

SECTION 3.06. Company to pursue remedies against contractors in event of breach of contract. In the event of non-performance by any contractor or subcontractor under any contract made by it in connection with the Project or in the event of a breach of warranty with respect to any materials, workmanship or performance guaranty, the Company may proceed, either separately or in conjunction with others, to pursue such remedies against the contractor or subcontractor so in default and against each surety for the performance of such contract as it may deem advisable. The Company will advise the Port of the steps it intends to take in connection with any such default. If the Company shall so notify the Port, the Company may, in its own name or in the name of the Port, prosecute any action or proceeding or take any other action involving any such contractor, subcontractor or surety which the Company deems reasonably necessary, and in such event the Port will cooperate fully with the Company. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be paid into the appropriate account in the Construction Fund or, if recovered after the Completion Date and full disposition of the Construction Fund, shall be deposited in the Bond Fund and applied as provided in Section 6.08 of the Ordinance with respect to disposition of Bond proceeds after the Completion Date.

SECTION 3.07. Investment of moneys in fund created under Ordinance. Any moneys held as a part of the Construction Fund or any other fund created pursuant to the Ordinance shall, at the written request of the Company (or, if the Company is in default under this Agreement, at the written request of the Port), be invested or reinvested as provided in Section 7.03 of the Ordinance.

SECTION 3.08. Revision of Plans and Specifications. The Company may revise the Plans and Specifications at any time and from time to time prior to the Completion Date provided, that in the case of any change that would materially render inaccurate the description of the Project attached hereto, there shall first be delivered to the Port (i) revised Exhibits containing a description of the Project as revised in the Plans and Specifications, the accuracy of which shall have been certified by an Authorized Company Representative and (ii) an Opinion of Counsel experienced in matters relating to the tax exemption of interest on bonds issued by states and their political subdivisions that the Project described in the revised Exhibits is such that the expenditure of all of the proceeds of Bonds of any Series for the Cost of the Project described therein would not impair the exemption of interest on outstanding Bonds from Federal income taxation and would constitute a project within the meaning of the Act.

ARTICLE IV

Lease Term; Demise of Project; Payment of Rent; Operation and Maintenance; Insurance; Condemnation and Taxes

SECTION 4.01. Lease Term; Demise of Project. This Agreement shall become effective upon its delivery and the leasehold estate created by this Agreement shall then begin, and, unless terminated prior thereto as hereinafter provided, shall expire on December 1, 2014, or if all of the Bonds have not been fully paid and retired (or provision for such payment has not been made as provided in Section 14.02 of the Ordinance), on such date as such payment or provision shall have been made; provided, however, that if approval is required by the Federal Maritime Commission this Agreement shall become effective after such approval is obtained.

The Port demises and leases to the Company, and the Company leases from the Port, subject to Permitted Encumbrances, the Project, at the rental set forth in Section 4.02 hereof and in accordance with the provisions of this Agreement.

SECTION 4.02. Amounts and dates for payment of rental installments; prepayments. The Company agrees to pay to the Port as rent for the Project a sum in immediately available funds equal to the aggregate principal amount of the Bonds issued under the Ordinance for the Project, and interest on the unpaid balances thereof, at the rates payable by the Port on such Bonds in the amounts and on the dates (each of which is herein called a "Rental Payment Date") as follows:

(a) On each Interest Payment Date with respect to each Series of Bonds, the sum which, together with other moneys available therefor in the Bond Fund (including moneys transferred to such Fund to pay interest on the Bonds), will equal the interest to be paid on such Series of Bonds on such Interest Payment Date; and

(b) On each Principal Payment Date (with respect to the 1984 Series Bonds, the Principal Payment Date will be December 1, 2014) with respect to each Series of Bonds, the sum which, together with other moneys available for payment of principal in the Bond Fund, will equal the sum of (i) the principal amount of Bonds of each Series which will become due on such Principal Payment Date, (ii) the amount, if any, required to be deposited in the Bond Fund to meet the Sinking Fund Requirement on such Principal Payment Date, (iii) any accrued interest on the principal amount of the Bonds and (iv) redemption premium, if any;

provided, however, that any amount credited under the Ordinance against any payment required to be made by the Company thereunder

shall be credited against the corresponding payment otherwise required to be made by the Company hereunder, and the obligation of the Company to make such payment hereunder shall be deemed to have been reduced by the amount of such credit; and provided, further, that the obligation of the Company to make any payment hereunder shall be satisfied and discharged to the extent of the corresponding payment made to the Trustee under the Letter of Credit.

From the date of the original issuance of the Bonds to and including the earlier to occur of December 16, 2014 or 15 days after the Conversion Date, and except as provided in Section 8.01 hereof, the Company shall provide for the payment of the principal of the Bonds, upon maturity, redemption or acceleration, and interest on the Bonds, by the delivery of the Letter of Credit to the Trustee simultaneously with the original issuance and delivery of the Bonds. The Port hereby authorizes and directs the Trustee to draw moneys under the Letter of Credit in accordance with the provisions of the Ordinance and the terms of the Letter of Credit to the extent necessary to pay the principal of and interest on the Bonds if and when due.

In addition to the option of the Company under Section 8.01 hereof to accelerate payment of the entire unpaid balance of rent for the Project, the Company shall have the option on July 1, 1985 and on the first day of each month thereafter to make from time to time prepayments in whole or in part of any rents due as aforesaid on account of such Rental Payments, together with interest accrued and to accrue and premium, if any, to be paid on the Bonds for the purchase or redemption of such Bonds. The Port shall apply such prepayments in such manner consistent with the provisions of the Ordinance as may be directed by the Company.

In the event the Company shall fail to make any of the payments required in this Section 4.02, the payment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid.

SECTION 4.03. Payments to Tender Agent and Trustee.

(a) The Company shall pay to the Tender Agent amounts equal to the amounts to be paid by the Tender Agent pursuant to Section 2.02(c)(2) or 2.02(d) of the Ordinance in respect of Outstanding Bonds, such amounts to be paid by the Company to the Tender Agent on the dates such payments are to be made pursuant to Section 2.02(c)(2) or 2.02(d) of the Ordinance; provided, however, that any amounts available for such payments under clause (i), (ii), (iv) or (vi) of Section 2.02(c)(2) of the Ordinance shall be credited against the corresponding payment otherwise required to be made by the Company hereunder, and the obligation of the Company to make such payment shall be deemed to have been reduced by the amount of such credit; and provided, further, that the obligation of the Company to make any payment hereunder shall be deemed to be satisfied and discharged to

the extent of the corresponding payment made under the Letter of Credit.

(b) From the date of the original issuance of the Bonds to and including the earlier of December 16, 2014 or the fifteenth day following the date on which the Bonds are converted to a fixed interest rate pursuant to Section 2.02(d) of the Ordinance, the Company shall provide for the payment of the amounts to be paid by the Tender Agent pursuant to Section 2.02(c)(2) of the Ordinance, by the delivery of the Letter of Credit to the Trustee simultaneously with the original issuance and delivery of the Bonds. The Company hereby authorizes and directs the Trustee to draw moneys under the Letter of Credit in accordance with the provisions of the Ordinance to the extent necessary to provide moneys payable under Section 2.02(c)(2) of the Ordinance if and when due.

SECTION 4.04. Letter of Credit. (a) The Letter of Credit delivered by the Company to the Trustee pursuant to Section 4.02 and 4.03(b) hereof initially shall be an irrevocable letter of credit of a commercial bank which (or, if such bank does not have outstanding senior long-term debt securities rated by either Moody's or S&P, the parent corporation of which) has outstanding senior long-term debt securities rated in the highest rating category by either Moody's or S&P.

The Letter of Credit shall be an obligation of the Banks, which shall not expire, except as otherwise provided in this Section 4.04, prior to December 16, 2014, to pay to the Trustee, upon request and in accordance with the terms thereof, up to (i) an amount equal to the aggregate principal amount of the Bonds then Outstanding (A) to pay the Rental Payments attributable to the principal of the Bonds or (B) to enable the Tender Agent to pay the purchase price, or the portion of the purchase price equal to the principal amount, of Bonds delivered to it and not-remarketed, plus (ii) an amount equal to at least 120 days' interest accrued and unpaid on the Bonds (A) to pay the Rental Payments attributable to interest on the Bonds or (B) to enable the Tender Agent to pay the portion of the purchase price of the Bonds delivered to it equal to interest accrued and unpaid, if any, on such Bonds.

The Banks' obligation under the Letter of Credit may be reduced to the extent of any drawing thereunder. The Letter of Credit shall provide, however, that with respect to a drawing by the Trustee to pay or cause to be paid the portion of the purchase price of Bonds delivered to it under Section 2.02(c) of the Ordinance equal to the principal amount of such Bonds, Bonds in an aggregate principal amount equal to the amount of such drawing shall be delivered to the Banks, and in the event that such Bonds are successfully remarketed and upon the release of such Bonds by the Banks the Trustee shall be entitled to again draw under the Letter of Credit to pay principal of the Bonds in an amount equal to the principal amount of such Bonds. The Letter of Credit shall provide, with respect to a

drawing by the Trustee to pay interest on the Bonds, including accrued interest on Bonds delivered to it for purchase, that upon reimbursement by the Company to the Banks of the amount of such drawing and any interest thereon in accordance with the terms of the Reimbursement Agreement, and provided no event of default under the Reimbursement Agreement has occurred and is continuing, the Trustee shall be entitled to again draw under the Letter of Credit an amount equal to the amount that could be drawn under the Letter of Credit if such drawing in respect of interest were disregarded. The Letter of Credit shall require the Banks to give notice to the Trustee within ten (10) days following such a drawing in the event that the Letter of Credit will not be reinstated (in respect of interest) to an amount which equals at least 120 days' interest accrued and unpaid on the Bonds.

The Letter of Credit shall provide that, if, in accordance with the terms of the Ordinance, the Bonds shall have been declared to be immediately due and payable pursuant to any provision of the Ordinance, the Trustee shall be entitled to draw on the Letter of Credit to the extent of the Rental Payments attributable to the aggregate principal amount of the Bonds then Outstanding plus an amount sufficient to pay up to 120 days' interest accrued and unpaid on all Outstanding Bonds less amounts paid in respect of interest for which the Letter of Credit shall not have been reinstated.

(b) At any time, the Company may, at its option, provide for the delivery to the Trustee of an Alternate Letter of Credit. On or prior to the date of the delivery of such Alternate Letter of Credit to the Trustee, the Company shall furnish to the Trustee and the Port (i) an Opinion of Bond Counsel stating that the delivery of such Alternate Letter of Credit to the Trustee is authorized under this Agreement and complies with the terms hereof and (ii) written evidence from Moody's if the Bonds are rated by Moody's, and S&P, if the Bonds are rated by S&P, to the effect that such rating agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in a reduction of its ratings of the Bonds below the highest three rating categories.

The Company and the Port acknowledge that the Letter of Credit may be terminated as permitted by the Ordinance and that such termination shall not affect the Company's obligation to make payments pursuant to this Agreement.

SECTION 4.05. Assignment to Trustee. (a) All Rental Payments to be paid by the Company under this Agreement are to be paid in immediately available funds to the Trustee for deposit in the Bond Fund. It is understood and agreed that all Rental Payments are, by the Ordinance, to be pledged by the Port to the Trustee, and that all rights and interests of the Port hereunder (except for the Port's rights under Sections 5.06, 5.07, 4.05(b) and 7.04 hereof and any rights of the Port to receive notices, certificates, requests,

requisitions, directions and other communications hereunder), including any right to delivery of the Letter of Credit, are to be pledged and assigned to the Trustee and the Company consents to such pledge and assignment.

(b) As long as any Bonds are outstanding, the Company will pay to the Port or the Trustee, as the case may be, on each Rental Payment Date the amount of Administration Expenses not theretofore provided for which have then accrued and become payable.

SECTION 4.06. Obligation to make payments absolute. The obligations of the Company to make the payments required in Section 4.02 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and until such time as the principal of, and interest and premium, if any, on the Bonds shall have been fully paid or provisions for the payment thereof shall have been made in accordance with Article XIV of the Ordinance, the Company (i) will not suspend or discontinue any payments provided for in Section 4.02 hereof, (ii) will perform and observe all of its other agreements contained in this Agreement, and (iii) except as provided in Article VIII hereof, will not terminate the Lease Term for any cause. Nothing contained in this Section 4.06 shall be construed to release the Port from the performance of any of the agreements on its part herein contained; and in the event the Port should fail to perform any such agreement on its part, the Company may institute such action against the Port as the Company may deem necessary to compel performance so long as such action does not abrogate the Company's obligations contained in the first sentence of this Section 4.06. The Company may, however, at its own cost and expense and in its own name or in the name of the Port, prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Port hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Port in any such action or proceeding if the Company shall so request.

SECTION 4.07. Maintenance of Project; remodeling, etc. The Company will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that the Company will have no obligation to maintain, repair, replace or renew any element or unit of the Project (i) which is taken by condemnation or by the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority or (ii) the maintenance, repair, replacement or renewal of which becomes uneconomic to the Company because of damage or destruction by a cause not within the control of the Company, or obsolescence (including economic obsolescence), or

change in government standards and regulations, or the termination by the Company of the operation of the production facilities to which the element or unit of the Project is an adjunct.

Subsequent to the Completion Date, the Company shall have the right to remodel the Project or make substitutions, modifications and improvements to the Project from time to time as it, in its discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, substitution, modifications and improvements shall be paid by the Company; subject to the provisions of Section 4.14 hereof, the same shall be the property of the Port and be included under the terms of this Agreement as part of the Project.

SECTION 4.08. Insurance. Commencing with the start of construction or acquisition, the Company shall keep or cause to be kept the Project continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due and payable all premiums with respect thereto; provided, however, that the Company may self-insure against such risks if the Company shall establish a plan of self insurance against such risks, including the establishment of the necessary reserves therefor. In lieu of separate insurance policies, such insurance may be in the form of a blanket insurance policy or policies. Insurance policies may be written with deductible amounts and exceptions and exclusions comparable to those of businesses of like size and type.

If the Company at any time shall carry public liability insurance with specific reference to the Project or the operation thereof, the Port and the Trustee shall be made additional insureds under such policy or policies or included therein as their interest may appear.

All proceeds of insurance against property damage shall be received by Company and the Company shall retain such proceeds, except as provided in Section 4.09 hereof, and all claims under any insurance policy referred to in this Agreement may be settled by the Company or on its behalf without the consent of the Port or its agents regardless of whether they are named as insured thereunder.

SECTION 4.09. Notice of damage, repair of damage. Immediately after the occurrence of any damage or loss to the Project in excess of \$250,000, the Company shall notify the Port as to the nature and extent of such damage or loss and, as soon as practicable thereafter, notify the Port whether it is practicable and desirable to rebuild, repair or restore such damage or loss. If the Company shall determine that such rebuilding, repairing or restoring is practicable and desirable, the Company shall forthwith proceed with such rebuilding, repairing or restoring and shall notify the Port upon the completion thereof. In such case, any insurance proceeds received in respect of such damage or loss shall be made available to and used by the Company for payment of the costs of such rebuilding, repairing or

restoring. Any insurance proceeds received in respect of such damage or loss not expended in rebuilding, repairing or restoring the Project shall be paid to the Trustee for deposit in the Bond Fund.

SECTION 4.10. Condemnation, assignment of proceeds. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, there shall be no abatement or reduction in the payments required under Section 4.02 hereof to be made by the Company and any proceeds received from any award or awards in respect of the Project or any part thereof made in such condemnation or eminent domain proceedings, after payment of all expenses incurred in the collection thereof, shall be paid to the Trustee for deposit in the Bond Fund.

The Port shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof. In no event will the Port voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Company.

SECTION 4.11. Condemnation of Company's property other than Project. Any provisions of this Agreement to the contrary notwithstanding, the Company shall be entitled to that portion of the proceeds of any condemnation award made for damages to or taking of its own property other than the Project.

SECTION 4.12. Payment of taxes and assessments; no liens or charges. The Company will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by the Federal, state or any municipal government upon the Port with respect to or upon the Project or any part thereof or upon any payments hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not create or suffer to be created any lien or charge upon the Project or any part thereof or upon the payments in respect thereof pursuant to this agreement, except Permitted Encumbrances; and (d) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon the Project or any part thereof or any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon the Project or any part thereof or any payments hereunder, except Permitted Encumbrances; provided, however, that except for any tax requirement, lien or charge on the Rental Payments nothing in this Section 4.12 shall require the Company to pay or cause to be discharged or make provision for any such tax, requirement, lien or

charge so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

SECTION 4.13. Additional payments by Company; advances by Port. The Company will pay, or cause to be paid, in addition to the payments provided for in Sections 4.02 and 4.05(b) hereof, all of the expenses of operation of the Project, including, without limitation, the cost of all necessary and proper repairs, replacements and renewals made pursuant to Section 4.07 hereof; the cost of insurance carried pursuant to Section 4.08 hereof; and any and all taxes and assessments payable pursuant to Section 4.12 hereof.

SECTION 4.14. Installation of additional movable personal property by Company. The Company may from time to time, in its sole discretion and at its own expense, install additional movable personal property in the Project. All such movable personal property so installed by the Company shall remain the sole property of the Company in which the Port shall have no interest and may be modified or removed at any time.

SECTION 4.15. Amendment of this Agreement for Additional Bonds. The Company agrees that in the event the Port shall, at the request of the Company, issue Additional Bonds under the Ordinance for the purpose of completing the acquisition, construction or equipping of the Project, the Company will, if necessary, enter into an amendment to this Agreement with the Port which will contain such provisions as shall be required in respect of the issuance of such Additional Bonds.

SECTION 4.16. Filing. The Port and the Company agree that there will promptly be filed Financing Statements between the Port and the Company in respect of the rights of the Company under this Agreement and that the Trustee will file or cause to be filed from time to time such necessary Financing Statements as may be required to continue the perfection of the security interests described in such Financing Statements, and that it will file promptly with the Port evidence of each such filing. Upon filing of such continuation Financing Statements, the Company will deliver to the Trustee an Opinion of Counsel satisfactory to the Trustee to the effect that all filings then required to continue the perfection of such security interests have been accomplished in compliance with the foregoing requirements.

SECTION 4.17. Issuance of Other Obligations. The Port and the Company expressly reserve the right to enter into, to the extent permitted by law, an agreement or agreements other than this Agreement with respect to the issuance by the Port, under an ordinance or ordinances other than the Ordinance, of obligations to provide additional funds to pay the Cost of the Project or to refund all or any principal amount of the Bonds, or any combination thereof; provided, however, that the Port shall not issue obligations in whole or in part to refund all or any principal amount of the Bonds less

than one hundred twenty-four (124) days prior to the contemplated payment date of the Bonds so to be refunded, whether at maturity or upon redemption, if such contemplated payment date shall be a date within the term of the Letter of Credit.

ARTICLE V

Special Covenants

SECTION 5.01. No warranty as to suitability of Project. The Port makes no warranty, either express or implied, as to the actual or designed capacity of the Project, as to the suitability of the Project for the purposes specified in this Agreement, as to the condition of the Project, or that the Project will be suitable for the Company's purposes or needs.

SECTION 5.02. Maintenance of corporate existence of Company; consolidation, merger, sales or transfer. The Company covenants that it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all its assets and will not consolidate with or merge into another corporation; provided, however, that the Company may consolidate with or merge into another corporation, or sell or otherwise transfer to another corporation all or substantially all its assets as an entirety and thereafter dissolve if the successor corporation or transferee is a solvent corporation organized under the laws of the United States of America, any state, district or territory thereof or Japan, and assumes in writing all the obligations of the Company herein and is duly qualified to do business in the State of Oregon.

SECTION 5.03. Quiet enjoyment of Project. The Port covenants that during the Lease Term and so long as there is no default hereunder, the Company shall peaceably and quietly have, hold and enjoy the Project, free from hindrance, eviction or disturbance by the Port or by any other person or persons lawfully claiming the same by, through or under the Port. The Port shall not create or suffer to be created any lien, charge or encumbrance on the Project or any part thereof other than as provided in this Agreement or those consented to by, or arising from the action or inaction of, the Company.

SECTION 5.04. Cooperation for permits and licenses. In the event it may be necessary for the proper performance of this Agreement on the part of the Port or the Company that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Company or the Port, the Company and the Port each agree to execute, upon the request of the other, such application or applications.

SECTION 5.05. Preservation by Port of rights, powers and tax status. The Port will use its best efforts to maintain, preserve and renew all the rights, powers, privileges and franchises owned by it, and will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project. The Port further covenants that it will not take or fail to take any action that would result in the

loss of any exemption from taxes which it presently enjoys or to which it may subsequently become entitled.

SECTION 5.06. Port's right of access. The Company agrees that the Port and its authorized agents shall have the right at all reasonable times to examine and inspect the Project, including such rights of access to the Project as may be reasonably necessary in connection with the acquisition, construction and installation of the Project or for the proper maintenance of the Project in the event of failure by the Company to perform its obligations under Section 4.07 hereof. The rights of access hereby reserved to the Port may be exercised only after an agent of the Port shall have executed release of liability and secrecy agreements in the form then currently used by the Company. However, nothing contained in this Section 5.06 or in any other provision of this Agreement shall be construed to entitle the Port to any information or inspection involving the confidential know-how of the Company.

SECTION 5.07. Indemnification covenants. It is the intention of the parties that the Port shall not incur pecuniary liability by reason of the terms of this Agreement or the performance of any act required of it by this Agreement, by reason of the issuance of the Bonds, by reason of the initial placement of the Bonds by the Remarketing Agent or the remarketing from time to time of the Bonds by the Remarketing Agent; by reason of the execution of the Ordinance, by reason of the performance of any act requested of it by the Company, or by reason of the Port's ownership of the Project or the operation of the Project by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, including, without limitation, any securities laws or banking laws. Nevertheless, if the Port should incur any such pecuniary liability, then in such event the Company shall indemnify and hold harmless the Port against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Port, the Company shall defend the Port in any such action or proceeding; provided, however, that such indemnity shall not apply to any loss occasioned by the negligence or willful misconduct of the Port.

The Company releases the Port, the Trustee, the Remarketing Agent, the Tender Agent and the Banks from, agrees that the Port, the Trustee, the Tender Agent, the Remarketing Agent and the Banks shall not be liable for, and agrees to indemnify and hold the Port, the Trustee, the Tender Agent, the Remarketing Agent and the Banks free and harmless from, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project, except in any case as a result of the negligence or bad faith of the Port, the Trustee, the Tender Agent, the Remarketing Agent or the Banks.

In addition to the foregoing, the Company will indemnify and hold the Port, the Trustee, the Remarketing Agent, the Tender Agent and the Banks free and harmless from any loss, claim, damage, tax, penalty, liability (including but not limited to liability for any patent infringement), disbursement, litigation expenses, attorneys' fees including those upon trial and appeal and expenses or court costs arising out of, or in any way relating to, the execution or performance of this Agreement, the issuance, initial placement, sale or remarketing from time to time of the Bonds, actions taken or foreborne under the Ordinance or with respect to the acceptance or administration thereof or any cause whatsoever pertaining to the Project, except in any case, as to the liability of each of the Port, the Trustee, the Remarketing Agent, the Tender Agent or the Banks, as a result of the negligence or bad faith of the Port, the Trustee, the Remarketing Agent, the Tender Agent or the Banks; such indemnity shall include any loss, claim, damage, tax, penalty, liability, disbursement, litigation expense, attorneys' fees including those upon trial and appeal and expenses or court costs arising out of any drawing by the Trustee of amounts in excess of or less than amounts permitted to be drawn under the Letter of Credit with respect to the payment of the portion of the purchase price of Bonds resold by the Remarketing Agent pursuant to Section 2.02(c) of the Ordinance at a price less than such purchase price so long as such drawing shall have been made in good faith, and the Trustee shall have no liability to the Company for any such incorrect drawing.

SECTION 5.08. General Tax Covenant. The Company will not take any action or fail to take any action or permit any action to be taken on its behalf or permit any circumstance within its control to arise or continue, if such action or inaction would adversely affect the exemption from Federal income taxation of the interest on the Bonds.

ARTICLE VI

Assignment; Lease or Other Disposition; Redemption; and Rent Abatement

SECTION 6.01. Assignment or sublease of Project by Company. The Company will not assign, sublease or otherwise dispose of or encumber its interest in the Project, except for Permitted Encumbrances and except as provided in Section 5.02 hereof and in this Section 6.01. This Agreement may be assigned in whole or in part, and the Company's interest in the Project may be assigned or subleased as a whole or in part, by the Company without the necessity of obtaining the consent of the Port, subject, however, to the following conditions:

(a) No assignment or sublease (other than pursuant to Section 5.02 hereof) shall relieve the Company from primary liability for any of its obligations hereunder, and in the event of any such assignment or sublease the Company shall continue to remain primarily liable for the payments specified in Section 4.02 hereof and for performance and observance of the other agreements on its part herein provided; and

(b) The Company shall, within fifteen (15) days after the delivery thereof, furnish or cause to be furnished to the Port a true and complete copy of each such assignment or sublease, as the case may be.

SECTION 6.02. Assignment by Port; Port to permit no sale, assignment, transfer or conveyance of Project except under Agreement; no liens or charges. The Port will assign its rights, title and interest in this Agreement other than its rights, title and interest to Administration Expenses pursuant to Section 4.05(b) hereof, its expenses pursuant to Section 7.04 hereof, its right of access to the Project pursuant to Section 5.06 hereof and indemnification pursuant to Section 5.07 hereof, to the Trustee for the benefit of owners of the Bonds pursuant to the Ordinance as security for payment of the principal of, premium, if any, and interest on the Bonds, but such assignment or pledge shall be subject to this Agreement. Except as provided in this Section 6.02, the Port will not sell, assign, transfer, convey or otherwise dispose of its interest in the revenues derived from the lease or other disposition of the Project during the term of this Agreement nor will it create or suffer to be created any lien, charge or encumbrance thereon other than those consented to by, or arising from the action or inaction of, the Company.

SECTION 6.03. Redemption of Bonds. If the Bonds are then subject to redemption, the Port, at the request of the Company, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Ordinance to effect redemption of all or part of the then outstanding Bonds, as may be specified by the

Company, on the earliest redemption date on which such redemption may be made under such applicable provisions.

SECTION 6.04. Rent abatement. If at any time the aggregate moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Ordinance all of the Bonds at the time outstanding, and to pay all fees and charges of the Trustee and any paying agents on the Bonds due or to become due through the date on which the last of the Bonds is retired, under circumstances not resulting in termination of the Lease Term, and if the Company is not at the time otherwise in default hereunder, the Company shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Trustee to and including the last maturity of any Bonds (or such other time as provided by this Agreement) with no obligation to make the payments specified in Section 4.02 hereof during that interval (but otherwise on the terms and conditions hereof).

SECTION 6.05. Sale of Project under certain conditions. The Company may from time to time permit the sale of any part of the Project if it certifies to the Port that such part is either no longer needed or no longer useful in the operation of the Project, and the proceeds thereof are applied to the replacement of or substitution for the part so sold or disposed of or are paid to the Trustee for deposit in the Bond Fund.

ARTICLE VII

Events of Default and Remedies

SECTION 7.01. Enumeration of "events of default"; force majeure. The following shall be "events of default" under this Agreement, and the terms "events of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Company to pay when due any payment required to be paid under Section 4.02 hereof;

(b) Failure by the Company to pay when due any payment required to be made under this Agreement other than payments required to be paid under Section 4.02 hereof, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Port by registered mail;

(c) It shall have been determined that any representation or warranty made by the Company in Section 2.02 hereof is false in any material adverse respect;

(d) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a) and (b) of this Section 7.01, which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Port by registered mail, provided, however, such a default shall be deemed to be cured as long as the Company is proceeding in good faith diligently to correct such default and that the continuing existence of the condition causing such default shall not be detrimental to the interest of the owners of the Bonds;

(e) The entering of an order or decree appointing a receiver of the Project or any part thereof or of the revenues thereof with the consent or acquiescence of the Company or the entering of such order or decree without the acquiescence of the Company if it shall not be vacated, discharged or stayed within sixty (60) days after entry;

(f) The dissolution or liquidation of the Company or the filing by the Company of a voluntary petition in bankruptcy, or failure by the Company promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry out its obligations under this Agreement, or adjudication of the Company as a bankrupt, or an assignment by the Company for the benefit

of its creditors, or the entry by the Company into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization or management instituted under the provisions of any bankruptcy act, or under any similar act which may hereafter be enacted, and such adjudication or approval shall not be vacated or set aside or dismissed within sixty (60) days of the date of entry thereof. The term "dissolution or liquidation of the Company", as used in this subsection (f), shall not be construed to include the cessation of the corporate existence of the Company resulting either from a merger or consolidation of the Company into or with another corporation or a dissolution or liquidation of the Company following a transfer of all or substantially all its assets as an entirety, under the conditions permitting such actions contained in Section 5.02 hereof;

(g) Receipt by the Port of notice that an event of default has occurred under the Guaranty Agreement; or

(h) Receipt by the Trustee of notice that an event of default has occurred under the Ground Lease.

The foregoing provisions of subsections (b) and (d) of this Section 7.01 are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the Government of the United States or of the State of Oregon or any department, agency, political subdivision or official of either of them, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery; partial or entire failure of utilities or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out its agreements herein contained, the Company shall not be deemed in default during the continuance of such inability. The Company agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company.

SECTION 7.02. Remedies. Whenever any event of default referred to in Section 7.01 hereof shall have happened and be subsisting, any one or more of the following remedial steps may be

taken, provided that written notice of the default has been given to the Company by the Port by registered mail and the default has not theretofore been cured, and provided further that no remedial steps shall be taken by the Port the effect of which would be to entitle the Port to funds necessary for the payment of principal and interest on Bonds which have not yet matured unless such principal and interest shall have been declared due and payable in accordance with the Ordinance and such declaration shall not have been rescinded:

(a) The Port may at its option declare all unpaid installments of rent, together with interest then due thereon, to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The Port may re-enter and take possession of the Project without terminating this Agreement, and sublease the Project for the account of the Company, holding the Company liable for the difference in the rent and other amounts payable by the sublessee in such subleasing and the rents and other amounts payable by the Company hereunder.

(c) The Port may terminate the Lease Term, exclude the Company from possession of the Project and use its best efforts to lease the Project to another party for the account of the Company, holding the Company liable for all rent and other amounts due under this Agreement and not paid by such other party.

(d) The Port may take any action at law or in equity, including any rights under the Uniform Commercial Code of the State of Oregon, to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Agreement.

Any amounts collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the Ordinance.

SECTION 7.03. No remedy exclusive. No remedy conferred upon or reserved to the Port by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Port to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 7.04. Company will reimburse reasonable fees of attorneys and other expenses. If the Company shall default under any of the provisions of this Agreement and the Port shall employ attorneys or incur other expenses for the collection of rent or for the enforcement of performance or observance of any obligation or agreement on the part of the Company contained in this Agreement, the Company will on demand therefor pay the reasonable fees and expenses of the Port and their attorneys as they are incurred, including reasonable fees and expenses of the Port and their attorneys for trial and on appeal.

SECTION 7.05. Waiver of breach. In the event any agreement contained in this Agreement shall be breached and such breach shall thereafter be waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Port's rights (except as otherwise provided in this Agreement) in and under this Agreement pursuant to the Ordinance, the Port shall have no power to waive any default hereunder by the Company without the consent of the Trustee required by the Ordinance to such waiver.

ARTICLE VIII

Options in Favor of Company

SECTION 8.01. Options to terminate Agreement and accelerate Rental Payments. The Company shall have options to cancel or terminate this Agreement during the term of this Agreement prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Ordinance), if any of the following (i) through (iv) shall have occurred:

(a) If (i) all or substantially all of the Project shall have been damaged or destroyed, and the Company deems it not practicable or desirable to rebuild, repair and restore the Project; or (ii) there occur changes in the economic availability or possibility of delivery of raw materials, operating supplies or facilities necessary for the operation of the facility serviced by the Project, or technological changes which, in the opinion of the Company, render the Project uneconomic for its purposes; or (iii) there occurs the condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project as to render the Project unsatisfactory to the Company for its intended use, and the Company deems it not practicable or desirable to replace the Project; or (iv) in the opinion of the Company, unreasonable burdens or excessive liabilities shall have been imposed upon the Port or the Company with respect to the Project or the operation of the Project, including, but without being limited to, Federal, state or other ad valorem property, income or other taxes, other than ad valorem taxes presently levied upon privately owned property used for the same general purposes as the Project; in any of which cases the Company shall pay to the Trustee, for the account of the Port, for deposit in the Bond Fund a sum sufficient, together with other funds held by the Trustee and available for such purposes, (i) to redeem at the earliest practicable date all Bonds then outstanding under the Ordinance at a redemption price equal to the principal amount thereof, (ii) to pay the interest and premium, if any, which will become due on such Bonds to the date fixed for redemption, and (iii) to pay all Administration Expenses accrued and to accrue through the date fixed for redemption, provided, however, that if any of the circumstances described in clauses (i) through (iv) above has been caused (whether directly, indirectly, totally or partially) by the negligence, gross negligence or intentional tort or other wilful misconduct of the Company, the Bonds shall be subject to redemption pursuant to Section 8.02 of the Ordinance.

(b) Under circumstances other than those described in subsection (a) of this Section 8.01, in which case the amount to be paid to the Trustee, for the account of the Port shall be a sum sufficient, together with other funds held by the Trustee and available for such purpose, (i) to provide for the payment of principal, redemption premium, if any, and interest on the Bonds whether at maturity or by redemption at the prices and upon the terms provided in the Ordinance and (ii) to pay all Administration Expenses relating to such Bonds accrued and to accrue through the date or dates fixed for redemption or the maturity date or dates, as the case may be.

SECTION 8.02. Exercise of option; notice of exercise. To exercise the option granted in Section 8.01, the Company shall, within ninety (90) days following the occurrence of a condition set forth in clauses (i) through (iv) of Section 8.01(a), give written notice of such exercise to the Company and to the Trustee specifying therein the date of termination or cancellation, which shall be not less than forty-five (45) or more than ninety (90) days from the date such notice is given. The Company shall also make arrangements satisfactory to the Trustee for the giving of notice of redemption of the Bonds in accordance with the provisions of the Ordinance. In the event the Company elects to exercise such option, the Company may direct the Trustee to pay into the Bond Fund any net proceeds of insurance or condemnation awards which the Trustee may then hold.

SECTION 8.03. Purchase of 1984 Series Bonds. The Company may at any time, and from time to time, furnish moneys to the Tender Agent accompanied by a notice directing such moneys to be applied to the purchase of 1984 Series Bonds delivered pursuant to Section 2.02(c) of the Ordinance, which 1984 Series Bonds shall, at the direction of the Company, be delivered in accordance with Section 2.02(c)(3)(v) of the Ordinance.

ARTICLE IX

Miscellaneous

SECTION 9.01. Disposition of funds after payment of Bonds and Administration Expenses. Any amounts remaining in the Bond Fund and other funds established under the Ordinance after payment in full of the Bonds (including interest and premium, if any, thereon), or provision for payment thereof having been made in accordance with the provisions of the Ordinance, and payment of all other reasonable and necessary obligations incurred by the Port to pay for the Cost of the Project, including interest, premiums and other charges, if any, thereon, and the payment of Administration Expenses, shall belong to and be paid to the Company by the Trustee as overpayment of rents.

SECTION 9.02. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows: if to the Port, at P.O. Box 3529, Portland, Oregon 97208, Attention: Executive Director; if to the Company, at 111 S.W. Columbia Street, Portland, Oregon 97201, Attention: Secretary; if to the Guarantor, at 4-2 Ohtemachi: 1-Chome, Chiyoda-Ku, Tokyo, Japan 100, Attention: General Manager, International Financial Department; if to the Trustee, at First Interstate Bank of Oregon, N.A., 1300 S.W. Fifth, Portland, Oregon 97201, Attention: Corporate Trust Department; if to the Remarketing Agent, at such address as shall be designated by it pursuant to the Ordinance; if to the Tender Agent, at the address designated in the Ordinance; and, if to the Banks, at the addresses designated in the Letter of Credit. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Port, the Company, the Banks, the Remarketing Agent, the Tender Agent, the Guarantor or the Trustee shall also be given to the others. The Company, the Guarantor, the Port and the Trustee may, by notice given under this Section 9.02, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 9.03. Agreement to bind and inure to benefit of Company, Port and owners of Bonds; obligations of Port limited. This Agreement shall inure to the benefit of the Port, the Company and the owners from time to time of the Bonds, and shall be binding upon the Port, the Company and their respective successors and assigns, subject to the limitation that any obligation or liability of the Port created by or arising out of this Agreement shall not be a general debt of the Port, but shall be payable solely out of the proceeds derived from this Agreement or the sale of the Bonds or income earned on invested funds as provided herein or in the Ordinance.

SECTION 9.04. Modification of Agreement. Except as otherwise provided in this Agreement or in the Ordinance, subsequent

to the initial issuance of the Bonds and prior to payment or provision for the payment of the Bonds in full (including interest and premium, if any, thereon), in accordance with the provisions of the Ordinance, and payment or provision for the payment of other obligations incurred by the Port to pay the Cost of the Project including interest, premiums and other charges, if any, thereon, and payment or provision for the payment of Administration Expenses, this Agreement may not be amended, changed, modified, altered or terminated so as adversely to affect the interests of the owners of the Bonds without the prior written consent of (a) the owners of at least sixty-six and two-thirds per cent ($66 \frac{2}{3}\%$) in aggregate principal amount of the Bonds then outstanding or (b) in case less than all of the several Series of Bonds then outstanding are affected by the modifications or amendments, the owners of not less than sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) in aggregate principal amount of the Bonds of each Series so affected then outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain outstanding, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of any calculation of outstanding Bonds under this Section 9.04; provided further that without the prior written consent of all of the owners of all of the Bonds then outstanding, no such amendment, change, modification, alteration or termination shall be made which will reduce the percentage of the aggregate principal amount of outstanding Bonds the consent of the owners of which is required for any such amendment, change, modification, alteration or termination or decrease the amount of any payment required to be made under this Agreement with respect to the Bonds or extend the time of payment thereof. This Agreement may be amended, changed, modified, altered or terminated without the consent of the owners of Bonds to provide necessary changes in connection with the issuance of Additional Bonds or to provide other changes which will not adversely affect the interest of such owners. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Port and the Company.

SECTION 9.05. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

SECTION 9.06. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

SECTION 9.07. Oregon law to govern. The laws of the State of Oregon shall govern the construction of this Agreement.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

THE PORT OF PORTLAND

By 
Authorized Officer

[SEAL]

Attest:


Secretary

APPROVED AS TO FORM

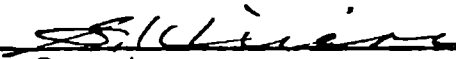
Of Counsel For The Port Of Portland

COLUMBIA GRAIN, INC.

By 
Authorized Officer

[SEAL]

Attest:


Secretary

ACKNOWLEDGEMENT OF PORT

STATE OF OREGON)

SS.:

COUNTY OF MULTNOMAH)

On the 14th day of November, in the year one thousand nine hundred eighty-four, before me personally came ^{John B. King} and ^{W. A. Underwood} to me known, who, being by me duly sworn, did depose and say that they reside in Multnomah County and Multnomah County, respectively; that they are the President and the Asst. Sec., respectively, of The Port of Portland, the municipal corporation described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of said corporation, and that they signed their names thereto by like order.

K. B. Brink-Schwab
Notary Public

My Commission Expires: 12/17/87

[Seal]

STATE OF Oregon)
COUNTY OF Multnomah) ss.;

On the 10th day of December, 1984 before me personally came Jonichi Takata and Shizuo Hirose to me known, who, being by me duly sworn, did depose and say, that they reside in _____ and _____, respectively; that they are the Chairman and the Secretary of Columbia Grain, Inc., a company described in and which executed the above instrument; that they know the seal of said company; that the seal affixed to said instrument is such company seal; that it was so affixed by authority of the Board of Directors of said company; and that they signed their names thereto by like authority.

RPBink-Schubert
Notary Public

My Commission Expires: 12/18/87

[Seal]

EXHIBIT A
DESCRIPTION OF THE FACILITY

FACILITY AS EXPANDED

The Facility is a grain elevator with bins, tanks, support building, docks and transportation accesses. It is located on a 43 acre site 99 nautical miles from the mouth of the Columbia River.

The 1973 Project, completed in 1976, was an operating grain elevator with a capacity of 1.5 million bushels storage. The elevator had the capability to receive grain by barge, rail and truck.

In 1981, the storage capacity of the elevator was increased to 4.0 million bushels. All conveyors and support systems were expanded, as necessary, to meet the requirements of the increased throughput. An additional rail receiving pit was installed and the configuration of the railroad track changed. This more than doubled the capacity of the elevator to receive grain by rail. A new 5,000 square feet administration building was constructed and which houses all elevator controls and the inspector's lab. A central vacuum system for the thorough cleaning of the elevator was also installed. This system facilitates dust removal within the elevator and greatly enhances safety. The 1981 Project was completed in 1984.

EXHIBIT B

DESCRIPTION OF THE LEASED EQUIPMENT

- | | | |
|-----|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 1 | Straight Engineering Company Box car dumper complete with electronic loadcell scale, hydraulic pumps, discharge, control panel and related equipment. |
| 2. | 1 | Hopper car unloading pit complete with discharge gate and electronic loadcell scale. |
| 3. | 5 | Bucket elevators approximately 37,000 bu/hr capacity, complete with 400 HP drives, gear reducers, belting, elevator cups, pulleys, shafts and bearing (approximately 235 ft. center distance). |
| 4. | 1 | Bucket elevator approximately 16,000 bu/hr capacity complete with 75 HP drive gearmotor, belting, elevator cups, pulleys, shafts, and bearing (truck receiving). |
| 5. | 1 | Bucket elevator approximately 27,000 bu/hr capacity complete with 125 HP drive, gearmotor, belting, elevator cups, pulleys, shafts and bearing (barge receiving). |
| 6. | 2 | Electro-Magnets for 48" belt conveyors with rectifiers and controls. |
| 7. | 2 | Bulk weighing scales 40,000 bu/hr capacity complete with weighhoppers, air operated gates, loadcells, cables and control panels (shipping). |
| 8. | 1 | Bulk weighing scale 30,000 bu/hr capacity complete with weighhoppers, air operated gates, loadcells, cables, and control panels (barge receiving). |
| 9. | 5 | Gamet Manufacturing Company 24" automatic spout samplers with drives and controls. |
| 10. | 5 | Gamet Tandum Sample Dividers with drives and related spouting. |
| 11. | 1 | Overstrom, Triple-S Grain Cleaner 20,000 bu/hr capacity complete with drive and screens for coarse grains. |
| 12. | 2 | Triple-S Grain Cleaner 10,000 bu/hr capacity complete with drives and screens for coarse grain. |
| 13. | 1 | 6,000 bu/hr 3 screen grain cleaner complete with fans, air control devices, drive and screens for small grains. |

14. 1 42" Belt conveyor complete with belting, idlers, pulleys, shafts, bearings, drives and supports (rail receiving).
15. 1 Buhler Chain Conveyor 40,000 bu/hr complete with gates, air cylinders, bearings and drives (rail receiving).
16. 1 Tramco Chain Conveyor 40,000 bu/hr complete with bearings, and drives (rail receiving).
17. 15 Chain Conveyors 40,000 bu/hr complete with air operated gates, bearings and drives (bin distribution).
18. 100 Automatic, modulating bin draw off gates (storage bin bottoms).
19. 100 Spouts and belt loaders to 42" draw off belts.
20. 6 42" 36,000 bu/hr draw off belt conveyors complete with idlers, belting, supports, pulleys, shafts, bearings, discharge spouts and drives.
21. 2 Motor operated draw off gates (steel storage bin bottoms).
22. 8 Hand operated draw off gates (steel storage bin bottoms).
23. 4 Draw off chain conveyors complete with gates, bearings and drives.
24. 4 Automatic Sump Pumps and related piping.
25. 1 Sewage Ejector Pump and related piping.
26. 2 Buhler Chain Conveyors 40,000 bu/hr capacity complete with air operated gates and drives (Shipping System).
27. 6 Automatic, modulating gates (shipping bins).
28. 85 High Bin level indicators.
29. 2 48" Belt Conveyors complete with idlers, belting, supports, pulleys, shafts, bearings, discharge spouting and drives (Shipping System).
30. 2 48" Belt Conveyors to Wing Towers at Dock complete with idlers, belting, supports, pulleys, shafts, bearings and drives.

31. 2 Automatic Rotating Diverting Gates complete with drives and Selsyn Indicators (Shipping System).
32. 3 Buhler Ship Loading Booms complete with chain conveyors, gates, drives, winches and related equipment (Capacity 40,000 bu/hr).
33. 2 Hydraulic Pumping Systems for modulating gates complete with pumps, tanks, piping and solenoid valves.
34. 1 1,000 lbs capacity Passenger elevator serving all floors of headhouse, approximately 240 feet rise.
35. 1 16" belt manlift serving all floors of headhouse, approximately 240 ft. rise.
36. 1 16" belt manlift serving cleaner floor at back of elevator, approximately 130 ft. rise.
37. 1 30 HP Air compressor (approximately 90 cfm) complete with receiver aftercooler gauges, valves and related piping system.
38. 1 15 HP Air compressor (approximately 50 cfm) complete with receiver, aftercooler, gauges, valves and related piping system.
39. 1 7 1/2 HP Capstan Type Barge Mover with sheaves, cables, and accessories.
40. 1 1 1/2 HP Bell and Gossett Water Pressure Booster Pump (Headhouse Water System).
41. 18 Automatic Cleaning, Bag type dust filters (various sizes and capacities) complete with fans, rotary airlocks, drives, manometers, supports, air piping, air filters and related dust collection ductwork systems.
42. 2 High pressure dust motivating pumps complete with related piping.
43. 1 Barge Receiving Elevator hoisting winch complete with sheaves, cables and drive.
44. 8 Screw conveyors complete with gates, bearings, and drives (cleaning system).
45. 1 Lot-Zero Speed Switches, Limit Switches, Flow Switches and related mounting devices.
46. 1 Lot-Air Cylinders, Air filters, lubricators, solenoid valves, gauges and accessories.

- 47. 1 Lot-Process Spouting, chutes, gates, gate operators, supports as required for Headhouse, storage bins, shipping system, receiving system and related items.
- 48. 1 Lot-Motor Control Centers, transformers, switchgear and related electrical components required for electrical distribution to all machinery and equipment items.
- 49. 1 Lot-Miscellaneous Process Equipment as required for proper handling, conveying, elevating, cleaning and discharging of grain and grain by-products including all such mechanical devices incidental to the proper operation of the Grain Terminal.
- 50. 1 Central Control Panel as required for control and alarm systems covering all process equipment and flow.
- 51. 1 Straight Manufacturer combination scale and hoist platform complete with loadcells with hydraulic pumps, controls and related equipment (truck receiving).
- 52. 1 Sample delivery system from Headhouse to Administration Building.
- 53. 1 Central vacuum system and related items for cleaning elevator.

EXHIBIT C

DESCRIPTION OF THE LEASED LAND

PARCEL 1

A parcel of land located in the east half of Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most southerly point of the recreation area as shown on the plat of survey, Rivergate Industrial District Block 12 recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the southeasterly line of said plat and the southwesterly line of the recreation area, and being the TRUE POINT OF BEGINNING; thence North $51^{\circ} 30' 00''$ West, along the southwesterly line of the recreation area, 1,147.75 feet to the mean low water line of the Willamette River; thence South $50^{\circ} 17' 51''$ West along said low water line 1,155.11 feet; thence South $43^{\circ} 26' 48''$ West, 225.48 feet; thence leaving said low water line, South $39^{\circ} 11' 36''$ East, 272.05 feet; thence South $05^{\circ} 17' 51''$ West, 70.71 feet; thence South $39^{\circ} 42' 09''$ East, 635.30 feet; thence South $03^{\circ} 22' 07''$ East, 580.81 feet to the right-of-way line of the Union Pacific Railroad; thence following said right-of-way South $73^{\circ} 58' 12''$ East, 34.47 feet; thence North $22^{\circ} 23' 23''$ East, 479.83 feet; thence along the arc of a 700.00-foot radius curve to the right through a central angle of $25^{\circ} 36' 37''$ a distance of 312.89 feet to a point which bears North $35^{\circ} 11' 42''$ East, 310.29 feet from the last described point; thence leaving said right-of-way North $42^{\circ} 00' 00''$ West, 1.00 foot; thence North $48^{\circ} 00' 00''$ East along the southeasterly line of Block 12, 1,268.40 feet to the TRUE POINT OF BEGINNING, containing 42.574 acres.

PARCEL 2

A parcel of land located in the east half of Section 23, Township 2 North, Range 1 West, Willamette Meridian, Multnomah County, Oregon, described as follows:

Beginning at the most southerly point of Tract "G" as shown on the plat of survey, Rivergate Industrial District Block 12, Recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the southeasterly line of said plat and the southwesterly line of Tract "G" and being the TRUE POINT OF BEGINNING; thence North $42^{\circ} 00' 00''$ West, 302.95 feet; thence North $51^{\circ} 30' 00''$ West, 585.00 feet; thence South $77^{\circ} 40' 21''$ West,

64.50 feet; thence South $51^{\circ} 30' 00''$ East, 924.54 feet to the TRUE
POINT OF BEGINNING, containing 0.866 acre.

EXHIBIT D

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS that THE PORT OF PORTLAND, pursuant to the Ordinance hereinafter referred to, which Ordinance has been heretofore duly enacted, does hereby sell, assign, transfer and set over to First Interstate Bank of Oregon, N.A., a national banking association having its corporate trust office and place of business in Portland, Oregon, as Trustee under the Ordinance enacted by said Port on November 14, 1984, without recourse, all the right, title and interest of said Port in and to the Lease Agreement dated as of December 1, 1984 (except indemnity payments required by in Section 5.07 of the Lease Agreement, attorney fees and other expenses paid pursuant to Section 7.04 of the Lease Agreement and the payments described in clause (i) of the definition of Administration Expenses in the Lease Agreement) between said Port and Columbia Grain, Inc., an Oregon corporation, as well as all amounts payable or which may become payable under said Lease Agreement and Guaranty Agreement, the same to be held in trust and applied by said Trustee as provided in said Ordinance; and The Port of Portland does hereby constitute and appoint First Interstate Bank of Oregon, N.A., Trustee as aforesaid, its true and lawful attorney for it and in its name to collect and receive payment of any and all of said payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that said attorney may do in the premises. Said Trustee may, but except as otherwise provided in said Ordinance shall not be required to, institute any proceedings or take any action in its name or in the name of The Port of Portland to enforce payment or collection of any or all of such payments. First Interstate Bank of Oregon, N.A. shall have the power to assign, without recourse, all of its powers, rights, title and interest under this Assignment to any successor trustee appointed pursuant to said Ordinance.

IN WITNESS WHEREOF, The Port of Portland has caused this Assignment to be duly executed in its name by its Vice President, and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, all as of this first day of December, 1984.

THE PORT OF PORTLAND

By


Vice President

(SEAL)

Attest:


Assistant Secretary

APPROVED AS TO FORM


Of Counsel For The Port Of Portland

STATE OF OREGON)
) SS
COUNTY OF MULTNOMAH)

On this 14th day of November, 1984, before me appeared John B. Herring and Lrr A. Underwood, who, being duly sworn, did say that he, John B. Herring, is the President and she Lrr A. Underwood, is the Assistant Secretary of the within named The Port of Portland, a municipal corporation in the State of Oregon, that the seal to the within instrument is the corporate seal of said municipal corporation, and that said instrument was signed and sealed by authority of its Board of Commissioners, and John B. Herring and Lrr A. Underwood acknowledged this to be the free act and deed of said municipal corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal this day and year first in this certificate written.

KPBink-Schmidt
Notary Public for Oregon
Commission Expires 12/18/87

12-7-88

LEASE AMENDMENT NO. 1

THIS AMENDMENT NO. 1 is entered into by and between the PORT OF
PORTLAND ("Port") and Columbia Grain, Inc. ("Lessee"),

W I T N E S S E I H:

WHEREAS, the Port and Lessee have entered into a Lease dated
December 1, 1984 ("Original Lease"); and

WHEREAS, the Port and Lessee desire to make an adjustment in the
lease area; and

WHEREAS, the parties have negotiated certain other terms and
conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants herein, the
parties agree as follows:

I.

Section 1.01 - Description of the Original Lease shall be deleted in
its entirety and the following is substituted:

(a) The Port leases to the Lessee, and the Lessee leases from
the Port, on the terms and conditions stated below, the land and

appurtenances thereto consisting of approximately 43.169 acres which is shown as Parcel 1 and Parcel 2 on Drawing No. T-5 84-2, which shall supercede Exhibit A attached to the Original Lease and is attached hereto as Exhibit A and made a part hereof, hereinafter referred to as the "Premises". (b) Lessee shall have a non-exclusive access road easement over the parcels identified as Parcel A, Parcel B, and Parcel C on Exhibit A. Such access road is not for the exclusive use of Lessee, but may be used by the Port and other users at Rivergate Industrial District. (c) Upon termination of the Lease Agreement, the Facility and Leased Equipment shall become a part of the Premises herein.

II.

Section 3.02 - Public and Common Area Maintenance Charge of the Original Lease shall be deleted in its entirety and the following substituted:

The Premises are subject to an annual charge for a proportionate share of the cost of maintaining public and common areas, including landscaping within road rights-of-ways in the Rivergate Industrial District in accordance with a plan of landscaping and maintenance prepared by the Port and acceptable by a majority of the tenants and owners at Rivergate Industrial District. Such charges shall reimburse Port for all reasonable costs incurred and shall be calculated by: 1) determining the percentage that the number of acres actually developed for use by the Lessee represents of the total acreage sold by or leased from the Port within the Rivergate

Industrial District; and 2) multiplying the total cost by this percentage, the product of which shall be the amount charged to the Premises. As of the date of execution of this Amendment, the number of acres developed for use by the Lessee is twenty (20) acres. Additional acres shall be added to the number of acres developed as portions of the Premises are developed for use by the Lessee. Such charges shall be paid by Lessee on the first day of August of each year or within 10 days after receipt of the Port's billing, whichever is later, based on the costs incurred by Port in the prior fiscal year. Charges based on twenty developed acres shall be retroactive to the August 1, 1988 billing. Lessee consents to installation of landscaping in public streets which abutt or may abutt the Premises and authorizes Port to make such arrangements as necessary to maintain the public and common areas.

III.

Section 4.03 - Off-Site Improvements of the Original Lease shall be deleted in its entirety.

IV.

Section 4.04 - Maintenance of Project, Remodeling, Etc., Paragraph (a) of the original Lease shall be deleted in its entirety and the following substituted:

(a) Except as provided in Section 5.03 herein, Lessee will maintain, preserve and keep the Project or cause the Project to be

maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that Lessee will have no obligation to maintain, repair, replace or renew any element or unit of the Project (i) which is taken by condemnation or by the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority or (ii) the maintenance, repair, replacement or renewal of which becomes uneconomic to Lessee because of damage or destruction by a cause not within the control of Lessee, or obsolescence (including economic obsolescence), or change in government standards and regulations.

Lessee shall have the right to remodel the Project or make substitutions, modifications and improvements to the Project from time to time as it, in its discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, substitution, modifications and improvements shall be paid by Lessee.

V.

The following paragraphs shall be added to Article V of the original Lease:

Section 5.02 - Relocation of Entrance Road and Guard House:

Port agrees to relocate at its expense the entrance roadway, guard

house, and perimeter fence in accordance with Drawing No. T-5 88-501 5/8 (C-5) attached hereto as Exhibit B and made a part hereof. Lessee shall be responsible for maintenance of the relocated roadway, guardhouse, and perimeter fence.

Section 5.03 - Port Maintenance Obligations: Commencing with the calendar year January 1, 1989 to December 31, 1989 and annually thereafter, if the rental charge paid by Lessee to the Port pursuant to Section 3.01 exceeds \$500,000, the Port shall reimburse Lessee an amount not to exceed \$30,000 for the cost of necessary maintenance of the barge and ship mooring system of the dock including fender piles, walers, catwalks, hand railing, mooring bits, bollards, and cleats. Such maintenance costs shall not include repairs necessitated by damage caused by third parties unless Lessee has been unable to recover such costs from said third parties. Lessee shall make every reasonable effort to recover costs of such repair from the third parties and shall provide Port with proof of effort to recover such costs.

Within 60 days following the close of each twelve-month period, Lessee shall submit to Port an itemized statement of actual maintenance costs as described above along with verification of said costs. Lessee shall also submit to the Port an invoice for cost of such repairs not to exceed \$30,000. Said invoice shall be due and payable within 30 days of receipt by Port.

VI.

This Amendment shall be effective on November 1, 1988.

VII.

Except as modified herein, the Original Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1
this 7th day of December, 1988.

LESSEE

By

[Signature]
[Signature]
Secretary

THE PORT OF PORTLAND

By

[Signature]
President

By

[Signature]
Assistant Secretary

APPROVED AS TO LEGAL SUFFICIENCY

M B Playfair
Counsel for The Port of Portland

APPROVED BY COMMISSION:

10-12-88

After Recording Return To:
Douglas J. Raab
Brownstein, Rask, Sweeney, Kerr,
Grim, DeSylvia & Hay LLP
1200 SW Main
Portland, OR 97205

Lien Creditor : Harmer Steel Products Company
Lien Debtor : MRC Company

CONSTRUCTION LIEN RELEASE

KNOW ALL MEN BY THESE PRESENTS, for good and valuable consideration paid to Harmer Steel Products Company, in the amount of \$11,048.26, the receipt and sufficiency of which is hereby acknowledged, Harmer Steel Products Company does hereby waive, release, and discharge the property commonly known as 15660 N. Lombard Street, Portland, Oregon, from the lien of that certain Claim of Construction Lien filed against the above described property on July 12, 2002 in the Construction Lien Book of Multnomah County, Oregon, as document number 2002-123742 of said record.

In construing this instrument, and whenever the context so requires, the singular includes the plural.

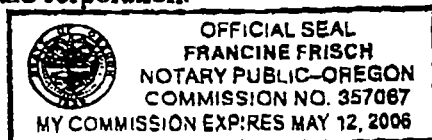
IN WITNESS WHEREOF, the undersigned Harmer Steel Products Company has caused its name to be signed and seal affixed by its officers, duly authorized thereunto by order of its Board of Directors.

HARMER STEEL PRODUCTS COMPANY

By: Joan Ulvila
Its: Secretary

STATE OF OREGON, County of Multnomah) ss.

On this 26th day of July, 2002, before me appeared JOAN ULVILA, to me personally known, who being duly sworn did say that he is the ~~SECRETARY~~ of Harmer Steel Products Company and that the foregoing instrument was signed on behalf of said Harmer Steel Products Company by authority of its Board of Directors, and acknowledged that said instrument is the free act and deed of said corporation.



Francine Frisch
Notary Public for Oregon

Bank of America

CASHIER'S CHECK

19-2
1280

CK.# **1710068778**

Purchaser: **MRC COMPANY, INC.**

VOID AFTER 90 DAYS

ISSUE DATE: **July 24, 2002**

*****\$11,048.26*****

Pay to the order of *****HARMER STEEL PRODUCTS CO.*****

NOT VALID OVER \$250,000

AMOUNT
*****\$11,048.26*****

Bank of America, N.A., Seattle, Washington

BY: 
Authorized Signatory

(b) (4)

522

ALLEN & O'HALLORAN LLP

Attorneys at Law
SUITE 2750
1300 S.W. FIFTH AVENUE
PORTLAND, OREGON 97201-5617

F. Gordon Allen *

* Also admitted in Illinois

Telephone: (503) 227-2470
Facsimile: (503) 227-2669
E-mail: rlo@lawae.com

Robert L. O'Halloran

July 19, 2002

Certified Mail - Return Receipt Requested

Isadore Aguirre, Jr., President
MRC Company
P.O. Box 1006
Woodland, WA 98674

Certified Mail - Return Receipt Requested

Isadore Aguirre, Jr., President
MRC Company
39203 NE 4th Avenue
Woodland, WA 98674

Certified Mail - Return Receipt Requested

Raymond M. Rask
Registered Agent for MRC Company
1200 SW Main Building
Portland, OR 97205

Certified Mail - Return Receipt Requested

The Port of Portland
Attn: Legal Department
P.O. Box 3529
Portland, OR 97208

Certified Mail - Return Receipt Requested

Thomas J. Hammond, President
Columbia Grain, Inc.
111 SW Columbia, Suite 1209
Portland, OR 97201

02 JUL 22 AM 8:39

4.12

DUPLICATE ORIGINAL OF
THIS DOCUMENT IN
CORRESPONDENCE SECTION.

July 19, 2002

Page 2

Certified Mail - Return Receipt Requested

Dennis Lindsay
Registered Agent for Columbia Grain, Inc.
1300 SW Fifth Avenue #3400
Portland, OR 97201

Certified Mail - Return Receipt Requested

Majorco, L.P.
15660 N. Lombard Street
Portland, OR 97203

Certified Mail - Return Receipt Requested

Wells Fargo Bank, N.A., successor-in-interest to
First Interstate Bank of Oregon, N.A., Trustee
Attn: Law Department
633 Folsom, 7th Floor
San Francisco, CA 94107

**Re: Notice of Filing of Construction Lien and of Intent to Foreclose
Harmer Steel Products Company
Columbia Grain Railroad Upgrade Project
Our File No. 9608.00**

Gentlemen:

Pursuant to ORS 87.039, you are hereby notified that Harmer Steel Products Company, recorded a Claim of Construction Lien on July 12, 2002, in Multnomah County, Recording No. 2002-123742, (a copy of the Claim of Lien and the recording receipt are attached hereto) in the sum of \$11,048.26 representing the amount, subject to such credits as may be determined, owed to Harmer for materials, services, equipment and labor provided at the request of MRC Company for the benefit of certain parcels of property and that certain improvement known as the Columbia Grain Railroad Upgrade, at 15660 N. Lombard Street, Portland, Oregon. Columbia Grain and Majorco each claims some interest in the leasehold estate in the property, against which the lien is claimed.

Pursuant to ORS 87.057, please also take notice that, should the lien remain unpaid following 10 days from your receipt of this letter, Harmer thereafter intends to commence foreclosure proceedings to foreclose its lien against the leasehold estate in the property described in the lien to recover the principal amount owed, together with interest, attorneys fees and costs as allowed by statute.

July 19, 2002

Page 3

Please understand that Harmer intends to vigorously pursue all available remedies. It would clearly be in the best interest of all concerned if foreclosure litigation could be avoided by prompt resolution and payment of the lien claim.

Should you have any questions, please telephone me, or have counsel telephone me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert L. O'Halloran", with a long horizontal line extending to the right.

Robert L. O'Halloran

Enclosure

cc: Addressees, by Regular Mail (w/enc.)
Client (w/enc.)

MULTNOMAH
RECORDING SECTION
501 SE HAWTHORNE #158
PORTLAND OR 97214
(503) 988-3034

Receipt # : 117585
07/12/2002

2002123742 07/12/02 12:10pm
CONSTRUCTION LIEN

PAGE FEE	20.00
DEPT OF REVENUE	10.00
OR LAND INFO SYS	1.00

Total	\$31.00
-------	---------

Grand Total	\$31.00
-------------	---------

CHECK	\$31.00
Amount Due	\$0.00

Thank You. Retain this
receipt for your records.

After Recording Return to:

Robert L. O'Halloran, Esq.
Allen & O'Halloran, LLP
Suite 2750
1300 SW Fifth Avenue
Portland, OR 97201-5617

Recorded in the County of Multnomah, Clk: 11
C. Swick, Deputy Clerk
Total : 31.00
2002-123742 07/12/2002 12:10:31pm ATMLP
C04 4 REC DOR OLIS
20.00 10.00 1.00

Lien Creditor:

Harmer Steel Products Company

Lien Debtor:

MRC Company

Owner:

The Port of Portland

Leaseholders:

Columbia Grain, Inc., an Oregon Corporation, and its sub-lessee, **Majorco, L.P.**, a Delaware limited partnership

Lien Amount:

\$11,048.26

CLAIM OF CONSTRUCTION LIEN

1. Description Of The Property

KNOW ALL MEN BY THESE PRESENTS: The undersigned, hereinafter called the Claimant, furnished materials under a contract between the Claimant and MRC Company, prime contractor for that improvement commonly known as the Columbia Grain Railroad Upgrade project in Multnomah, County, Oregon. Said improvement is situated upon certain land in the County of Multnomah, State of Oregon, which is the site of said improvement, described as follows:

See Attached **Exhibit A** for a legal description of the subject property.

2. Address, If Known

4

The address of said land is believed to be 15660 N. Lombard Street, Portland, Oregon, in Multnomah County, Oregon.

3. Name of Owner Or Reputed Owner and Leaseholders

The owner of the subject property is The Port of Portland. The name of the owner or reputed owner of the leasehold interest in said land and improvement at the time Claimant's materials were provided is Columbia Grain, Inc., whose sub-lessee is Majorco, L.P., which at all times herein mentioned had knowledge of the construction of said improvement.

4. Person By Whom Claimant Was Employed

The name of the person or entity who employed the Claimant to furnish said materials was and is MRC Company.

5. Performance Of Work

The Claimant commenced providing the materials on or about April 26, 2002, and finished providing materials on or about May 1, 2002. Claimant has furnished all materials required by it.

6. Notice Of Right To A Lien

Pursuant to ORS 87.021 (3), Claimant was not required to give a Notice of Right to Lien, but did give such Notice to Columbia Grain on May 3, 2002.

7. True Statement Of Demand Less Just Credits and Offsets

As set forth below, the following is a true statement of the Claimant's demand after deducting all just credits and offsets, to-wit:

The reasonable value and amount owed the Claimant for its materials is as follows;	
Invoice No. 020353	\$4,565.86
Invoice No. 020354	\$ 751.40
Invoice No. 020364	<u>\$ 5,700.00</u>
Total	<u>\$11,017.26</u>
LESS ALL JUST CREDITS AND OFFSETS :	
AMOUNT PAID TO DATE	\$ none
PLUS LIEN RECORDING FEES	\$ <u>31.00</u>

TOTAL DUE CLAIMANT

\$11,048.26

Claimant is likewise entitled to interest on the total, from the date the debt was incurred, at the statutory rate, until paid in full.

8. Perfection Of Lien

The Claimant claims a perfected lien for the amount last stated, \$11,048.26, upon the leasehold interest as to said improvement and upon the site, to-wit: the leasehold interest relating to the land upon which said improvement is constructed, together with the land that may be required for the convenient use and occupation of the improvement constructed on said site, to be determined by the court at the time of the foreclosure of this lien.

9. Miscellaneous

(a) In construing this instrument, the masculine pronoun means and includes the feminine and the neuter and the singular includes the plural, as the circumstances may require.

(b) The paragraph captions are of convenience only and shall not be deemed to limit the terms or provisions of this claim of lien.

DATED this 12th day of July, 2002.

Harmer Steel Products Company

By: Joan Ulvila
Title: Corporate Secretary

STATE OF OREGON)
) ss.
County of Multnomah)

I, Joan Ulvila, being first duly sworn, state:

That, subject to the penalties for false swearing provided under ORS 162.075, I am the Secretary of the Claimant; that I have knowledge of the facts herein set forth; and that all statements made in said instrument are true and correct as I verily believe.

Joan Ulvila

Subscribed and sworn to before me this 12th day of July, 2002.

Virginia L. Roseburg
Notary Public for Oregon

PAGE 3 - CLAIM OF CONSTRUCTION LIEN

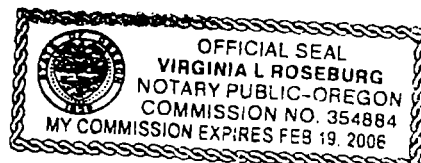


EXHIBIT A

PARCEL I:

A parcel of land located in the East half of Section 23, Township 2 North, Range 1 West, of the Willamette Meridian, in the County of Multnomah and State of Oregon, described as follows:

Beginning at the most Southerly point of the recreation area as shown on the plat of survey, RIVERGATE INDUSTRIAL DISTRICT, Block 12, recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the Southeasterly line of said plat and the Southwesterly line of the recreation area, and being the true point of beginning; thence North $51^{\circ}30'00''$ West, along the Southwesterly line of the recreation area, 1,147.75 feet to the mean low water line of the Willamette River; thence South $50^{\circ}17'51''$ West along said low water line 1,155.11 feet; thence South $43^{\circ}26'48''$ West, 225.40 feet; thence leaving said low water line, South $39^{\circ}11'36''$ East, 272.05 feet; thence South $05^{\circ}17'51''$ West, 70.71 feet; thence South $39^{\circ}42'09''$ East, 635.30 feet; thence South $03^{\circ}22'07''$ East, 580.81 feet to the right-of-way line of the Union Pacific Railroad; thence following said right-of-way South $73^{\circ}58'12''$ East, 34.47 feet; thence North $22^{\circ}23'23''$ East, 479.83 feet; thence along the arc of a 700.00-foot radius curve to the right through a central angle of $25^{\circ}36'37''$ a distance of 312.89 feet to a point which bears North $35^{\circ}11'42''$ East, 310.29 feet from the last described point; thence leaving said right-of-way North $42^{\circ}00'00''$ West, 1.00 foot; thence North $48^{\circ}00'00''$ East along the Southeasterly line of Block 12, 1,268.40 feet to the true point of beginning.

PARCEL II:

A parcel of land located in the East half of Section 23, Township 2 North, Range 1 West, of the Willamette Meridian, in the County of Multnomah and State of Oregon, described as follows:

Beginning at the most Southerly point of Tract "G" as shown on the plat of survey, RIVERGATE INDUSTRIAL DISTRICT, Block 12, Recorded May 25, 1973, Multnomah County Deed Records, said point being the intersection of the Southeasterly line of said plat and the Southwesterly line of Tract "G" and being the true point of beginning; thence North $42^{\circ}00'00''$ West, 302.95 feet; thence North $51^{\circ}30'00''$ West, 585.00 feet; thence South $77^{\circ}40'21''$ West, 64.50 feet; thence South $51^{\circ}30'00''$ East, 924.54 feet to the true point of beginning.



*Legal
B. Hrdudea
Hachey
Levie
Mar Contracts
M. Dornon*

December 13, 2001

Writer's Direct Line: (503) 944-7008
Writer's Fax Line: (503) 944-7042
Writer's Email Address: wyattb@portpld.com

Thomas J. Hammond, President
Columbia Grain, Inc.
111 SW Columbia Street
Portland, OR 97201

Re: Ground Lease between The Port of Portland (the "Port") and Columbia Grain, Inc. ("CGI") dated December 1, 1984 / Port Agreement Number 85-144

Dear Mr. Hammond:

This letter modifies the Ground Lease described above to the extent the terms in this letter are inconsistent with the terms of the Ground Lease. CGI has informed the Port that Portland General Electric ("PGE") will charge CGI unusually high utility rates in calendar year 2002 in the approximate amount of \$250,000 and, further, that CGI wishes to add a dockage charge to its tariff greater than the applicable dockage charge in the Port's tariff as an energy surcharge to cover such excess energy costs. The Port acknowledges that such energy surcharges shall not constitute "dockage" within the meaning of Section 3.01 of the Ground Lease so long as:

1. CGI continues to remit to the Port the amount of dockage revenue per vessel call owed the Port under the Port's tariff pursuant to Section 3.01 of the Ground Lease;
2. The energy surcharges assessed against the vessels calling CGI's facility at Terminal 5 do not exceed the lesser of (a) the total of the excess electricity fees as compared to prior years charged against CGI by PGE in 2002, and (b) \$250,000;
3. The Port shall have the right, during normal business hours and upon ten (10) days prior written notice, to inspect CGI's books and records relating to electricity charged CGI by PGE and the amount of all dockage assessed by CGI pursuant to its tariff against the vessels calling the CGI Terminal 5 facility; and
4. CGI provides the Port copies of its revised tariff showing the new dockage rates promptly upon issuance thereof.

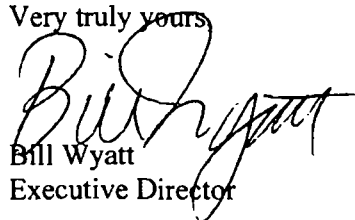
CGI shall not be in default under the Ground Lease, the Lease Agreement between the parties dated as of December 1, 1984, or any other document executed in connection with either the Ground Lease or the Lease Agreement.

This letter agreement shall terminate on December 31, 2002, unless extended by the mutual agreement of the parties; however, the Port shall have the right to terminate this agreement for any reason upon giving CGI thirty (30) days advanced written notice.

Thomas J. Hammond, President
Columbia Grain, Inc.
December 13, 2001
Page 2

Please acknowledge CGI's understanding and agreement to the foregoing by signing and returning the enclosed copy of this letter.


Very truly yours



Bill Wyatt
Executive Director

ACKNOWLEDGED AND AGREED TO:

COLUMBIA GRAIN, INC.

By 
Thomas J. Hammond, President



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

January 24, 1997

Mr. Wayne Parks
Vice President/General Manager
Columbia Grain International, Inc.
111 S.W. Columbia Street
Portland, OR 97201

Dear Wayne:

In anticipation of encouraging 1997 soybeans and/or soybean meal exports, as well as corn, the Port is pleased to offer the following quote:

The Port will share dockage revenue on the following basis only as to vessels loading corn, soybeans, and/or soybean meal:

75 per cent to Columbia Grain International, Inc.
25 per cent to the Port of Portland

This quote is independent of the lease agreement between the Port and Columbia Grain and will not be included in any revenue accumulation that results from the terms of that agreement. Effective Feb. 1, 1997, ships carrying corn, soybeans and/or soybean meal will be billed dockage per the above revenue split. This split will continue through January 31, 1998, unless terminated by either party by giving the other party 30 days' written notice.

The Port is committed to working with you to our mutual benefit on this and all common issues. If I can somehow be of further assistance, please do not hesitate to call.

Sincerely yours,

Mike Thorne
Executive Director

Approved as to Legal Sufficiency

John Heninger
Assistant General Counsel



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

November 22, 1996

Mr. Wayne Parks
Vice President/General Manager
Columbia Grain International, Inc.
111 S.W. Columbia Street
Portland, OR 97201

Dear Wayne:

In anticipation of encouraging 1997 corn exports, the Port is pleased to continue to offer the following quote:

The Port will share dockage revenue on the following basis only as to vessels loading corn:

75 per cent to Columbia Grain International, Inc.
25 per cent to the Port of Portland

This quote is independent of the lease agreement between the Port and Columbia Grain and will not be included in any revenue accumulation that results from the terms of that agreement. During 1997, ships carrying corn will be billed dockage per the above revenue split. This split will continue through December 31, 1997, unless terminated by either party by giving the other party 30 days' written notice.

The Port is committed to working with you to our mutual benefit on this and all common issues. If I can somehow be of further assistance, please do not hesitate to call.

Sincerely yours,

Mike Thorne
Executive Director

Approved as to Legal Sufficiency

John Heninger
Assistant General Counsel



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

December 28, 1995

Mr. Wayne Parks
Vice President/General Manager
Columbia Grain International, Inc.
111 S.W. Columbia Street
Portland, OR 97201

Dear Wayne:

In anticipation of encouraging 1996 corn exports, the Port is pleased to continue to offer the following special quote.

The Port will share dockage revenue on the following basis only as to vessels loading corn:

75 percent to Columbia Grain International, Inc.
25 percent to the Port of Portland

This quote is independent of the lease agreement between the Port and Columbia and will not be included in any revenue accumulation that results from the terms of that agreement. During 1996, ships carrying corn will be billed dockage per the above revenue split. This split will continue through December 30, 1996, unless terminated by either party by giving the other party 30 days' written notice.

The Port is committed to working with you to our mutual benefit on this and other issues. If I can be of further assistance, please do not hesitate to call.

Yours very truly,

Mike Thorne
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY

Paul G. Elsner
Assistant General Counsel



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

December 13, 1994

Mr. Wayne Parks
Vice President/General Manager
Columbia Grain International, Inc.
111 S.W. Columbia Street
Portland, OR 97201

Dear Wayne:

In anticipation of encouraging 1995 corn exports, the Port is pleased to continue to offer the following special quote.

The Port will share dockage revenue as to corn only on the following basis:

75 percent to Columbia Grain International, Inc.
25 percent to the Port of Portland

This quote is independent of the lease agreement between the Port and Columbia and will not be included in any revenue accumulation that results from the terms of that agreement. During 1995, ships carrying corn will be billed dockage per the above revenue split. This split will continue through December 30, 1995, unless terminated by either party by giving the other party 30 days' written notice.

The Port is committed to working with you to our mutual benefit on this and other issues. If I can be of further assistance, please do not hesitate to call.

Yours very truly,

Mike Thorne
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY

Paul C. Elsner
Assistant General Counsel



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

November 29, 1993

Mr. Wayne Parks
Vice President/General Manager
Columbia Grain International, Inc.
111 S.W. Columbia Street
Portland, OR 97201

Dear Wayne:

After examining results of 1993 corn exports, the Port is pleased to continue to offer the following special quote.

The Port will share dockage revenue as to corn only on the following basis:

75 percent to Columbia Grain International, Inc.
25 percent to the Port of Portland

This quote is independent of the lease agreement between the Port and Columbia and will not be included in any revenue accumulation that results from the terms of that agreement. During 1994, ships carrying corn will be billed dockage per the above revenue split. This split will continue through December 30, 1994, unless terminated by either party by giving the other party 30 days' written notice.

The Port is committed to working with you to our mutual benefit on this and other issues. If I can be of further assistance, please do not hesitate to call.

Yours very truly,

Mike Thorne
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY

Paul C. Elsner
Assistant General Counsel



Port of Portland

Box 3529 Portland, Oregon 97208
503/231-5000

February 1, 1993

Mr. Wayne Parks, Vice President
General Manager
Columbia Grain International, Inc.
111 S.W. columbia Street
Portland, OR 97201

Dear Wayne:

After examining the results of the last year on corn exports, the Port is pleased to continue to offer the following special quote:

The Port will share dockage revenue as to corn only on the following basis: 75 percent to Columbia Grain International, Inc., and 25 percent to the Port of Portland. This quote is independent of the lease agreement between the Port and Columbia and will not be included in any revenue accumulation that results from the terms of that agreement. During 1993, ships carrying corn will be billed dockage per the above revenue split. This split will continue through December 30, 1993, unless terminated by either party by giving the other party 30 days written notice.

The Port is committed to working with you to our mutual benefit on this and other issues. If I can be of further assistance, please do not hesitate to call.

Yours Truly,

Mike Thorne
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY

Paul C. Elsner



Port of Portland offices located in Portland, Oregon U.S.A.
Chicago, Illinois, Washington, D.C., Hong Kong, Seoul, Taipei, Tokyo



Port of Portland

Box 3529 Portland, Oregon 97208
503/231-5000

S. Talkington

December 13, 1991

Mr. Wayne Parks, Vice President
General Manager
Columbia Grain International, Inc.
111 S.W. Columbia Street
Portland, OR 97201

Dear Wayne:

After examining the results of the last year on corn exports, the Port is pleased to offer the following special quote:

The Port will share dockage revenue as to corn only on the following basis: 75 percent to Columbia Grain International, Inc., and 25 percent to the Port of Portland. This quote is independent of the lease agreement between the Port and Columbia and will not be included in any revenue accumulation that results from the terms of that agreement. After December 19, 1991, ships carrying corn will be billed dockage per the above revenue split. This split will continue through November 30, 1992, unless terminated by either party by giving the other party 30 days written notice.

The Port is committed to working with you to our mutual benefit on this and other issues. If I can be of further assistance, please do not hesitate to call.

Yours Truly,

Mike Thorne
Executive Director

APPROVED AS TO LEGAL SUFFICIENCY

Paul Elsner



Port of Portland offices located in Portland, Oregon U.S.A.
Chicago, Illinois Washington, D.C. Hong Kong, Seoul, Taipei, Tokyo

Shirley Talkington
Legal files

January 18, 1990

Wayne Parks, Vice President
General Manager
Columbia Grain International, Inc.
121 S.W. Salmon, Suite 900
Portland, OR 97204

EXPORT CORN MARKET

Dear Mr. Parks:

This letter is in response to your request for a partnership to develop a market for export corn through your facility at Terminal 5.

Because of our mutual interest to gain market share in this new commodity line, the Port agrees to share dockage revenues for vessels loading export corn only at Terminal 5: 75 percent to Columbia Grain, 25 percent to Port of Portland. This agreement will be effective December 1, 1989, and continue through November 1, 1990, at which time we can both evaluate the effects this agreement has had on the market.

We sincerely hope you are successful in gaining a portion of this business, and we appreciate the opportunity to share in your success.

Sincerely,

Daniel J. D'Agrosa
Marine Director

0243LL

bcc: HACHEY
 HRDLICKA
 LIPSCOMB
 HARPER
 GRIGG
 PHILLIPS

GROUND LEASE AMENDMENT NUMBER 2

RECITALS

A. The Port of Portland ("Port") and Columbia Grain, Inc. ("Columbia") entered into a ground lease as of December 1, 1984 ("Ground Lease").

B. The parties amended the Ground Lease on December 7, 1988.

C. The parties wish to amend the Ground Lease to resolve an ambiguity regarding dockage collected by Columbia and rent paid by Columbia to the Port. It is not clear from the original language in subsection 3.01(a) of the Ground Lease whether the dockage sharing arrangement described by that subsection applies only to dockage under the Port's published tariff or to the total dockage collected by Columbia. The intent of the parties was to allow Columbia to charge dockage in excess of the rate established by the Port's tariff, but not to require Columbia to share with the Port dockage in excess of the dockage under the Port's tariff.

AGREEMENT

1. RENTAL CHARGE

The following new subsection (d) is added to section 3.01 of the Ground Lease, and shall be considered effective as of December 1, 1984:

(d) Notwithstanding anything to the contrary in this section 3.01, the rental charge described in subsection 3.01(a) shall be based solely on the Port's published tariff for dockage at other grain docks in effect at the time of berthing, and shall not include any dockage charged by Columbia in excess of that Port's published tariff.

COLUMBIA GRAIN, INC.

By: Thomas J. Hammond
(signature)

Name: Thomas J. Hammond
(print)

Its: President and CEO
(title)

Date: 7/14/2005

THE PORT OF PORTLAND

By: Bill Wyatt
Bill Wyatt, Executive Director

Date: 7/15/05

Approved as to Legal Sufficiency for the Port

James Hill 14 July 2005
Counsel for the Port of Portland



85-144

December 9, 2002

Thomas J. Hammond
President
Columbia Grain, Inc.
111 SW Columbia Street
Portland, OR 97201

Re: Ground Lease between The Port of Portland (the "Port") and Columbia Grain, Inc. ("CGI")
dated December 1, 1984 / Port Agreement Number 85-144

Dear Mr. Hammond:

This letter modifies the Ground Lease described above to the extent the terms in this letter are inconsistent with the terms of the Ground Lease. CGI has informed the Port that Portland General Electric ("PGE") is continuing to charge CGI unusually high utility rates beyond calendar year 2002 and, further, that CGI wishes to capture this additional energy charge by publishing a dockage charge in its tariff greater than the applicable dockage charge in the Port's tariff. The Port acknowledges that such energy surcharges shall not constitute "dockage" within the meaning of Section 3.01 of the Ground Lease so long as:

1. CGI continues to remit to the Port the amount of dockage revenue per vessel call owed the Port under the Port's tariff pursuant to Section 3.01 of the Ground Lease;
2. CGI provides the Port copies of its revised tariff showing the new dockage rates promptly upon issuance thereof.

CGI shall not be in default under the Ground Lease, the Lease Agreement between the parties dated as of December 1, 1984, or any other document executed in connection with either the Ground Lease or the Lease Agreement.

This letter agreement shall terminate on December 31, 2003, unless extended by the mutual agreement of the parties; however, the Port shall have the right to terminate this agreement for any reason upon giving CGI thirty (30) days advanced written notice.

Please acknowledge CGI's understanding and agreement to the foregoing by signing and returning the enclosed copy of this letter.

ACKNOWLEDGED AND AGREED TO:

THE PORT OF PORTLAND

COLUMBIA GRAIN, INC.

By Bill Wyatt
Bill Wyatt, Executive Director

By Thomas J. Hammond
Thomas J. Hammond, President

*Substantive
Original Legal
12/23/02.*